

Utah State University

DigitalCommons@USU

All Graduate Theses and Dissertations

Graduate Studies

5-2010

Service Undone: A Grounded Theory of Strategically Constructed Silos and Their Impact on Customer-Company Interactions from the Perspective of Retail Employees

Kelley A. O'Reilly
Utah State University

Follow this and additional works at: <https://digitalcommons.usu.edu/etd>



Part of the [Advertising and Promotion Management Commons](#), [Business Administration, Management, and Operations Commons](#), and the [Organizational Behavior and Theory Commons](#)

Recommended Citation

O'Reilly, Kelley A., "Service Undone: A Grounded Theory of Strategically Constructed Silos and Their Impact on Customer-Company Interactions from the Perspective of Retail Employees" (2010). *All Graduate Theses and Dissertations*. 669.
<https://digitalcommons.usu.edu/etd/669>

This Dissertation is brought to you for free and open access by the Graduate Studies at DigitalCommons@USU. It has been accepted for inclusion in All Graduate Theses and Dissertations by an authorized administrator of DigitalCommons@USU. For more information, please contact digitalcommons@usu.edu.



SERVICE UNDONE: A GROUNDED THEORY OF STRATEGICALLY
CONSTRUCTED SILOS AND THEIR IMPACT ON CUSTOMER-COMPANY
INTERACTIONS FROM THE PERSPECTIVE OF RETAIL EMPLOYEES

by

Kelley A. O'Reilly

A dissertation submitted in partial fulfillment
of the requirements for the degree

of

DOCTOR OF PHILOSOPHY

in

Education
(Management Information Systems)

Approved:

Dr. David Paper
Major Professor

Dr. Karina Hauser
Committee Member

Dr. Jeffrey Johnson
Committee Member

Dr. Sherry Marx
Committee Member

Dr. Zsolt Ugray
Committee Member

Dr. Byron Burnham
Dean of Graduate Studies

UTAH STATE UNIVERSITY
Logan, Utah

2010

Copyright © Kelley A. O'Reilly 2010
All Rights Reserved

ABSTRACT

Service Undone: A Grounded Theory of Strategically Constructed Silos and Their Impact
on Customer-Company Interactions from the Perspective of Retail Employees

by

Kelley A. O'Reilly, Doctor of Philosophy

Utah State University, 2010

Major Professor: Dr. David Paper
Department: Management Information Systems

This work elaborates the impacts of *strategically constructed silos* that are not byproducts of flagging cross-departmental cooperation or the cumulative effect of decades of decentralized command and control. Rather, these silos are strategically intended structures within organizations. Most significantly, the substantive theory of strategically constructed silos and their impact on customer service contributes to the field by illustrating the presence and consequence of silos occurring in suboptimal conditions. The existence of silos has implications that extend far beyond the retail area.

A key take-away from this research is that contrary to how most customer service processes are designed, not all customer-company interactions are alike. As shown in the data, interaction types vary both in regard to the degree of knowledge needed by retail employees to fully serve customers, and the routine or nonroutine nature of the interaction. This is an important finding since it directly relates to whether the existence of a silo is appropriate (or optimal) for a specific interaction or task. Additionally, the

findings suggest the role that a task's "routine-ness" plays is secondary to the degree of specialized knowledge needed by retail employees to meet customer expectations.

Understanding the various customer-company interaction types and how each interaction type may be affected by silos is crucial for designing customer experiences that will sustain over time. Likewise, identifying customer-company interaction types correctly and then subsequently developing strategies to support these interaction types is critical for both customer experience management (CEM) initiatives and customer relationship management (CRM) system design within the company. This work provides an overview of the implications of strategically constructed silos occurring in suboptimal conditions and provides recommendations for diagnosing customer-company interactions based on interaction type. By identifying strategically constructed silos as an intended structure of the company, the model elaborated here works to deliver prescriptive and specific strategies for managers and employees' use as they attempt to improve their firm's customer-company interaction outcomes.

DEDICATION

Sitting beside my father in our 1961 Volkswagen Beetle, I believed my dad was magic. While driving down the road, he would lift both hands in the air and say, “Look! The car knows where we’re going, I don’t have to steer.” As a young child, I didn’t notice him using his legs to keep the car traveling safely. In my mind, my dad was magic and I felt sorry for other kids with “normal” fathers.

Over the years, my dad showed me this same magic in his work as a retail executive. It might have been easy to miss – the small things, like the positive impact his attitude and energy had on employees and customers alike. Like my dad, countless franchisees have also shown me the “retail ropes” and helped me to discover the nuances that make the difference between a good store and a bad store. It is to these people, my father and the franchisees I’ve worked with, that I dedicate this research. I hope that in some small way, it helps them to realize how much I was listening and learning from them as they created their own *retail magic*.

ACKNOWLEDGMENTS

As I bring this study to a close, there are many people that I would like to thank for their guidance, motivation, and support. The first of these must be my family, who supported my decision to give up the “fruits” of an executive lifestyle and in return, willingly agreed to many “fend for yourself” meals that often involved lousy food and my insistence that they read and re-read earlier drafts of this work while eating.

I would also like to thank the entire faculty and staff of the Management Information Systems Department at Utah State University. My experience in the program was nothing short of fantastic! The department was supportive and the environment, positive. I could not have picked a more accommodating department to let me “find my legs” as a scholar and researcher. The members of my dissertation committee, David Paper, Sherry Marx, Zsolt Ugray, Karina Hauser, and Jeff Johnson, have made an especially strong impact on me and I truly appreciate their guidance. I would like to especially thank David and Sherry, who helped me to find my voice as a researcher through qualitative methods and grounded theory. Sometimes the best way to learn is simply to watch a master. Both David and Sherry in their own work have demonstrated their mastery and have provided me with a lofty target to aim my own work.

Kelley O'Reilly

CONTENTS

	Page
ABSTRACT	iii
DEDICATION	v
ACKNOWLEDGMENTS	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
INTRODUCTION	1
Why Retail Employees	5
Situating the Study	7
Silos and Their Relationship to This Study	8
Method Employed	12
METHOD	14
Contrasting Grounded Theory (GT) with QDA	15
Contrasting GT with QDA Common Practices	20
Adapting GT for This Inquiry	20
Appropriateness of GT to This Inquiry	24
Establishing a Common Lexicon	26
Choosing the Initial Concentration Site for Data Collection	29
Theoretical Sampling and Site Spreading	34
Data Generation and Sources	38
Data Coding and Analysis	46
Issues of Trustworthiness	49
Limitations and Future Research	50
REVIEW OF LITERATURE	51
What I Expected to Find	52
What I Did Find	53
Emergent Literature Streams	55
Service-Dominant (S-D) Logic	56
Customer Experience Management (CEM)	63
Customer Relationship Management	73

KEY FINDINGS	83
What Customers Like and Dislike about	
Customer-Company Interactions	83
What Companies Want from Customer-Company Interactions	89
What Affects Relationships	93
THE THEORY OF STRATEGICALLY CONSTRUCTED SILOS	112
The Effect of Strategically Constructed Silos.....	113
The Evolution of Strategically Constructed Silos	121
IMPLICATIONS FOR THEORY	128
Dissecting Strategically Constructed Silos	
Across Customer-Company Interactions	128
Impacts of Strategically Constructed Silos	
Occurring in Suboptimal Conditions	135
The Significance of Strategically Constructed Silos	
for S-D Logic, CEM and CRM.....	139
MANAGERIAL RECOMMENDATIONS	148
CONCLUDING REMARKS.....	160
REFERENCES	165
APPENDIX.....	178
CURRICULUM VITAE.....	180

LIST OF TABLES

Table		Page
1	Key Tenets ^a of GT and Qualitative Data Methods.....	16
2	Common Practices of GT and Qualitative Data Methods.....	21
3	Adaptations of GT for this Research.....	23
4	In-Depth Interview Participant Profiles.....	37
5	Interview and Observational Data Collection Site Types and Location States	39

LIST OF FIGURES

Figure		Page
1	Customer-company interaction channels.....	30
2	Iterative discoveries from constant comparison and theoretical sampling leading to next data.	31
3	Snowball sampling schema for concentration site subsidiaries in-home, phone, and internet retail employees.....	34
4	Data collection schematic by retail type and channel.....	37
5	Formal interview participants by channel	38
6	Literature streams framing this inquiry.....	56
7	Hierarchy of needs for positive customer-company interactions.....	105
8	Sample receipt showing register SKU error in checkout.....	108
9	Self-feeding loop contributing to the creation of service specialists.....	119
10	Customer-driven focus.....	123
11	Company-driven focus.....	126
12	Examples of task “routine-ness”.....	132
13	The effect of silos on customer-company interactions.....	134
14	Strategic implications of routine transactions requiring specialized knowledge.....	150
15	Strategic implications of non-routine transactions requiring specialized knowledge.....	152
16	Strategic implications of routine transactions requiring general knowledge.....	154
17	Strategic implications of non-routine transactions requiring general knowledge.....	158
18	Summary of strategic implications for customer-company interactions.....	159

Figure	Page
A1 Sample tasks by quadrant.....	179

INTRODUCTION

*I find it useful to remember, everyone lives by selling something.
--Robert Louis Stevenson*

I confess. I love retail and I always have. As a marketer, I am continually amazed at how much of a difference one person can make in retail. I have witnessed countless examples of retail stores under my supervision transforming from dismal (aka: unprofitable) failure to superstar success seemingly overnight by the assignment of a new manager or the hiring of a new salesperson. As a customer, it is this same phenomenon that intrigues me... how does the difference of one retail employee compared with another change the entire experience for me? On one visit, I can feel frustrated and angry with the lack of service and concern for the business – on the next visit, another employee can make me feel like the entire store exists just to serve me. How does that happen? How can just one person make such a profound difference? Even more practical, as managers, how can we clone and infuse that skill into all of our employees?

From this brief anecdote, it may be obvious that my own practical experience is a key motivator driving me to better understand customer-company interactions. Having spent more than 20 years at the executive level within retail companies primarily focused on store operations, consumer marketing, and franchising, I am interested in exploring ways to improve customer-company interactions and develop lasting relationships between customers and companies. From my own experiences, as well as a childhood filled with stories from my father's 40 years in retailing, I have always viewed the value of high-performing retail employees as the "golden ticket" for retail success. Having been responsible for retail store operations throughout my career, I would regularly conduct

impromptu store visits and observe customer-company interactions. I was very accustomed to my role as interventionist and would commonly watch an exchange take place between a customer and retail employee and then meet with the retail employee to either recognize and reward their good performance, or coach them to improve something that I had observed.

In addition to my practical experience is a fairly well-developed understanding of literatures in the areas of relationship marketing, customer relationship management (CRM), and the information systems areas based on my previous work in the area of CRM. Considering the vast body of work that has been conducted on CRM (and the vast amounts of money being spent on CRM systems), understanding how to improve customer-company interactions is of interest to many in the field. Over the past decade or so, the marketing literature has embraced the idea that managing customer relationships is a top priority for marketers worldwide. “To sustain a competitive advantage, companies have realized that they need to continuously acquire and use knowledge about their customers, markets, competitors, and partners when developing marketing strategies” (Raman, Wittmann, & Rauseo, 2006, p. 48).

Innovation aimed at enhancing the relationship a firm has with its customers has become commonplace and is an often heard mantra of the executive leadership team within companies. As a consequence, the relational aspects of customer interactions have become a fashionable marketing trend. Every year, companies invest billions of dollars to develop and implement CRM strategies, tools, and infrastructure to capture customer loyalty. The Gartner Group estimated that over \$8 billion dollars was spent on CRM software alone in 2007 with steady growth expected (Barker, 2007). Forrester Research

estimates that by 2010, over \$11 billion dollars will be spent annually on CRM systems with the rate of growth expected to increase significantly. Forrester also reports that CRM systems are now a critical necessity for enterprise-wide competitive advantage (Forrester Research, 2008). In addition to spending on CRM software, Gartner expects that with consultancy fees, personnel, and training costs included, CRM spending could exceed \$50 billion in few years time (Barker, 2007). With such a significant level of spending, it is clear that CRM is perceived by business executives as critical. As such, I feel very confident that the path of study I have chosen is important.

A consistent finding in the CRM literature is that most CRM initiatives have failed to deliver expected results with failure rates estimated between 50-75% (Barker, 2007; Bartikowski, 2006; Bull, 2003; Corner & Hinton, 2002; Fjermestad & Romano, 2003; Foss, Stone, & Ekinici, 2008; Jenkinson, 2006; King & Burgess, 2008; Kotorov, 2003; Lin & Huang, 2007; Meyer & Kolbe, 2005; O'Malley & Mitussis, 2002; Payne & Frow, 2005; Ryals, 2005; Sigala, 2006; Starkey & Woodcock, 2002; Verhoef & Langerak, 2002; Zablah, Bellenger, & Johnston, 2004). A synthesis of these studies reveals that issues related to people often tip the balance between CRM success and failure. This tenuous balance is commonly affected by issues of leadership, culture, strategy, and employee resistance.

Unmanaged, CRM can alter the balance between building relationships with customers and creating cost savings through streamlined transactions and automated e-marketing. In essence, the power of the one-to-one relationship can easily be converted into an efficient and effective exchange between customer and the company's computer. While customers value the benefits of electronic exchange (Porter & Donthu, 2008), the

benefits of combining human interaction and accessibility with electronic systems outweigh a purely electronic exchange (Sheth & Parvatiyar, 1995).

CRM, the idea of fine-tuning the ways in which firms interact with customers, has required energy, focus, training, and investment in new tools and software to aid in the development of CRM systems. These systems strive to align the people, processes, and technologies of a company with the strategic intent to maintain and enhance the relationship between the company and the customers it serves. Managing the buyer-seller relationship is central to achieving strategic advantage (Turnbull & Wilson, 1989). Reichheld (1994) takes this idea further by arguing that effectively managing loyalty amongst customers and employees is the only way to achieve a sustainable competitive advantage.

By understanding upfront how CRM innovation success will be measured, managers can thoughtfully consider if the benefits are likely to outweigh the costs. If the measure of success is simply a decrease in traditional (offline) marketing spending, how are changes in consumer interaction, response rates, referrals, or loyalty considered in a cost/benefit analysis? Reduced costs are only of value with concurrent value-added increases in customer behavior like repeat purchases, referrals, or increased job averages.

While well-designed CRM systems allow and enable a firm to measure a host of metrics, at least some metrics must identify and measure the value creation process for the firm and customers it serves otherwise firms face risk. "If key CRM metrics do not directly assess the value dual-creation process, there is a risk that the underlying value proposition that generates outcome metrics, such as satisfaction, retention, acquisition,

and lifetime value, can slowly degrade” (Boulding, Staehlin, Ehret, & Johnston, 2005, p. 161).

Moreover, metrics should be viewed through a dynamic lens. What is measured positively today cannot be expected to sustain indefinitely due to customer reaction over time, competitor reactions that may whittle away a firm’s CRM competitive advantage, and company factors related to a firm’s technical capabilities, process evolution, and people issues. As such, CRM systems should be flexible enough to react to customer data and to the overall market conditions in which they compete. “Contemporary demands for organizations to be flexible, responsive, and capable of learning require organizing practices to deal with ongoing change” (Orlikowski, 1996, p. 91).

Why Retail Employees

The literature suggests that “Firms that leverage service can build strong relationships with customers that will generate barriers to competition, increase customer loyalty and switching costs, and make market activities more efficient” (Bolton, Grewal, & Levy 2007, p. 1). Despite these promising benefits, formal customer relationship management (CRM) initiatives commonly fail due to the lack of focus that organizations pay to employees (Zeithaml, Rust, & Lemon, 2001). Considering the importance of employees at the front-line who are interacting with customers, it is interesting to note that employees are under-researched as a group in the customer-company interaction phenomenon. Accordingly, “Retailers have a distinct advantage in being the customer’s closest link to the marketplace. As such, it is possible that within the value network the retailer may be positioned best to develop a core competence in market sensing” (Lusch,

Vargo, & O'Brien, 2007, p. 13). Naturally, retail employees have a “front-row seat” to both witness and participate in these customer-company interactions.

While customers may interact and form relationships with a store, department, or specific retail employee, my focus is on the interaction between the retail employee and customer. Of particular interest are the perceptions, beliefs, and attitudes of retail employees regarding customer-company interactions. Literature often refers to these perceptions as the “employee orientation,” or more specifically, a management perspective that considers employees as partners in the effort to achieve company success (Plakoyiannaki, Tzokas, Dimitratos, & Saren, 2008). Although there is a vast cache of literature exploring the service interface from the customer perspective, studies exploring the retail employee as the main character are less prolific (for notable exceptions see Beatty, Mayer, Coleman, Reynolds, & Lee, 1996; Goff, Boles, Bellenger, & Stojack, 1997; Gremler & Gwinner, 2008). While research is somewhat limited in this area, customer-employee relationships can be effective in positively impacting customer-company relationships leading to loyalty (Boulding et al., 2005; Frow & Payne, 2007; Guenzi & Pelloni, 2004; Osarenkhoe, 2006; Yim, Tse, & Chan, 2008). Moreover, since retail employees are often more closely connected to customers than management or external parties such as vendors or consultants, it is logical to assume that their insights are as valuable as those of any other stakeholder.

I focus on retail employees for this research because interactions with customers (and resultant experiences and relationships) are highly dependent on the actions of retail employees (Beatty et al., 1996; Bitner, Booms, & Mohr, 1994; Bowers, Martin, & Luker, 1990; Goff et al., 1997; Gremler & Gwinner, 2008; Guenzi & Pelloni, 2004; Mittal &

Lassar, 1996). These interactions have also been called “personalization” in the literature and concern how retail employees relate to customers as people (Mittal & Lassar, 1996). While “...employees’ perception of customer needs has been assumed to be a key element of the marketing concept and despite its high managerial relevance, it has received little attention in empirical research” (Homburg, Wieseke, & Bornemann, 2009, p. 64). Therefore, I heed the advice of Berry, Carbone, and Haeckel (2002) who suggested that the first step toward managing the total customer experience involves “...in-depth interviews with customers and employees to find out how people on both sides of a transaction feel about different aspects of an experience and the emotional associations that go along with it” (p. 85). While this study focuses on only one side of the customer-company dyad (employees) for in-depth interviews, observations occurring between employees and customers help to rigorously contextualize the findings, analysis, and interpretations of this work.

Situating the Study

While there are many perspectives from which this inquiry could be approached, I have chosen to focus on the perspective of interactions occurring within the business-to-consumer (B2C) context. My reasoning is that there is a paucity of research in the B2C arena that explores the perspective of retail employees. At this point in time, this work does not consider business-to-business (B2B) or consumer-to-consumer (C2C) issues although these areas also present ripe opportunity for future research contribution.

What guides my inquiry is the quest to understand the views, perceptions, and beliefs of retail employees and how these perspectives might help improve customer-company interactions or touch-points. Customer touch-points are all of the methods and

points of contact (channels) that exist for a customer and company to interact, such as ordering a product over the phone, searching a company's website, buying a product in-store, or direct mail marketing.

From insights gained during the course of this research, three key literature streams emerged: Service-Dominant Logic (S-D), Customer Experience Management (CEM), and CRM. While the literatures related to CRM were very familiar to me, the S-D logic and CEM literatures were unknown to me at the time this study began. Each key research stream has overlapping components with the others and no one stream fully explains the emergent themes from the data. S-D logic is a theoretical philosophy that encompasses all activities, strategies, and meanings of an organization. From this perspective, I consider S-D logic the “philosophical glue” that binds the constructs of CEM and CRM together to better represent the holistic customer experience that over time develops into a relationship with the company. Therefore, through the philosophical lens of S-D logic, the prevailing work on CEM and CRM better frame both the inquiry and emergent themes within this research project. Each of these literature streams will be explored in detail in a subsequent section.

Silos and Their Relationship to This Study

Organizational silos have been contemplated since the early 1980s when the concept of silos first began appearing in the business press. The term *silo* was co-opted from the agricultural sector to symbolize distinct business segments that lack effective communication and cooperation and are typified by the “right hand not knowing what the left hand is doing.” More recently, the concept of silos and their impacts have begun to emerge within the academic literatures primarily in the areas of organizational behavior,

strategic management, and information systems, but Aaker (2008) argued that this work is limited within the marketing context:

Although the organizational behavior literature has been studying relevant topics such as teams and matrix organizations, there has been little systematic research, especially in the marketing context where the issues are most intrusive, around how to adapt a silo organization to a world in which it is no longer working. (p. 145)

From a general management context, “silos refer not only to isolated data structures, but also to the sort of thinking that creates and maintains them” (Lager, 2005, p. 49).

Academic work focusing on silos tends to consider the effects and impacts of silos as something to be avoided, busted, demolished, or broken down. This is easily grasped by a quick review of the article titles from some of the leading academics studying silos: “Silo Busting: How to Execute on the Promise of Customer Focus” (Gulati, 2007), “Marketing in a Silo World: The New CMO Challenge” (Aaker, 2008), “Breaking Down the Silos” (Lager, 2005), and “Breaking the Functional Mind-Set in Process Organizations” (Majchrzak & Wang, 1996). A synthesis of these works and others portrays silos today as universally negative, with the direct costs and impacts of silos affecting organizational relationships, profits, and competitive standing in the marketplace.

Interestingly, silos have not always been viewed negatively. A few decades ago, silos were lauded for their effectiveness in allowing decision making to remain close to the target customer via decentralized organizational structures. These structures were, and still are, common within operations where organizations are structured around specific products or geographies (Aaker, 2008). However, today, “To stand out in a commoditized market, companies must understand what customers truly value. The only way to do that

is to break down the traditional, often entrenched, silos and unite resources to focus directly on customer needs” (Gulati, 2007, p. 108). These needs seem to be the key driver that has relegated silos to the figurative “dog house” with the realization that customer needs, expectations, and demands are dynamic and changing over time:

[C]ompanies must synchronize the actions of business units and the goals of the enterprise as a whole more tightly than ever. This is because customers increasingly demand integrated or global solutions, which require the collaboration of multiple business units or locations. (Ready, 2004, p. 94)

Therefore, it is suggested that to adequately serve customers, the people, processes, and technologies of an organization must be organized and integrated within and across the customer-facing structures of a firm. “One of the key elements of any CRM plan is integration, the unification of all your company’s data sources to create a single, holistic view of each customer. While technology is most often used to make this happen, integration is just as dependent on behavior” (Lager, 2005, p. 49). In the context of this view, the presence of silos and their impacts will likely be detrimental to CRM and CEM initiatives and to the delivery of value co-creation as prescribed by S-D logic.

Yet not all silos are the fortuitous circumstance of organizational structures designed around products, units, countries, or division heads. Specifically, this work elaborates the impacts of silos that are *strategically constructed*; not simply the byproducts of flagging cross-departmental cooperation or the cumulative effect of decades of decentralized command and control. Interestingly, strategically constructed silos exist within the participants’ companies alongside other silos that these companies are actively working to dismantle. This leads to an interesting question. Why work to dismantle certain silos and concurrently create others? The answer rests in the nature of this work since strategically constructed silos like those addressed here are typically not

recognized as silos by most companies. Accordingly, companies are not aware that they may be working to dismantle and create silos simultaneously. Why? Because the silos examined here are illuminated through the lens of retail employee perceptions, beliefs, and attitudes on a very granular level - a level that seems to have escaped the notice of academics and practitioners.

Therefore, while the notion of silos is not new, the consequences, effects, and implications of *strategically constructed silos* are contextualized here in a unique fashion that is purely data informed. As one example, most retail organizations included in this study implement Customer Service Centers to handle customer problems. These areas are designed and strategically created to handle all but the most routine customer interactions and are highlighted here as a kind of *service silo*. While retailers implement Customer Service Centers for a variety of reasons, these silos are intentional in nature. Therefore, understanding the various customer-company interaction types and how each interaction type may be affected by silos is crucial for designing customer experiences that will sustain over time. Likewise, identifying customer-company interaction types correctly, and subsequently developing strategies to support these interaction types, is critical for both CEM initiatives and CRM system design within the company.

This work provides an overview of the implications of strategically constructed silos occurring in suboptimal conditions and recommends a strategy for diagnosing customer-company interactions and for designing protocols for effective customer-company interaction programs based on interaction type. By identifying strategically constructed silos as an intended structure of the company, the model elaborated here

works to deliver prescriptive and parsimonious tools for managers' and employees' use as they attempt to improve their firm's customer-company interaction outcomes.

Method Employed

The current approaches in the literature for examining the CEM/CRM phenomenon provide a helpful, albeit limited, understanding of improving customer-company interactions. Due to their limited nature (e.g. in terms of the number of studies and their relevance to this research), it is appropriate to look to a relatively unused method that allows for unfolding discovery. Evert Gummesson (2005), a leading marketing scholar, noted that "[...] theory in marketing is not really developing beyond conventional concepts, piecemeal models, current events and success stories" (p. 318). Using a qualitative approach and employing an adaptation of the grounded theory method (GT), the purpose of this study is to explore the attitudes and beliefs of retail employees who are closely connected to customers. Data collection occurred over the course of a six month period. A variety of data sources were used including open-ended reciprocal interviews, member-checking interviews, observation, and collection of participant and researcher artifacts. GT and these data sources are appropriate for this inquiry since "[...] qualitative research and existing process theories may be applied to advance our understanding of buyer-seller relationships and relationship networks" (Plakoyiannaki & Saren, 2006, p. 226).

Throughout this project, I have attempted to keep retail store managers and independent small business owners (e.g. franchisees) in my mind's eye. My goal? To construct and write this research report as a means by which to repay the countless retail employees, small businesses, and franchise entrepreneurs for their patience, time, and

invaluable lessons learned at their side. It is these stakeholders that guide this inquiry and to whom I feel both indebted and in action to assist. If successful, this work will provide value to these stakeholders through implementable ideas that can be tried and refined in an effort to improve their own customer-company interactions. It is my hope that the findings and implications provided here will be considered both meaningful and relevant to the respective businesses of my participants.

The remainder of this document is structured as follows: (1) a review of GT and how the method is adapted and applied in this research endeavor, (2) a brief review of the literatures related to S-D logic, CEM, and CRM, (3) key descriptive findings regarding retail employee perceptions of customer-company interactions, (4) a discussion of the emergent theory of strategically constructed silos, (5) the implications for theory and practice pertaining to customer service and silos, and (6) specific managerial recommendations for improving customer-company interactions.

METHOD

In the original work “Discovering Grounded Theory” by Glaser and Strauss (1967), great effort is made to separate GT from quantitative methods, objectives, and language. This is explained as a means by which to cull apart GT from the prevailing growth of rigorous quantitative research paradigms of the day which “has had the unfortunate consequence of discrediting the generation of theory through flexible qualitative and quantitative research” (Glaser & Strauss, 1967, p. 223). Since Glaser and Strauss published “Discovering Grounded Theory,” qualitative research and its varying methods and perspectives has become more common and mainstream in the social sciences. As such, Glaser’s more recent work (1978, 2001, and 2009) posits that GT must be viewed as one methodology among many qualitative methods. However, with the increasing use of qualitative methods in the social sciences, Glaser sees the need to tease GT away from more traditional qualitative data methods (QDA) so that the “adopt, adapt, coopt and corruption of GT into QDA will be diminished” (Glaser, 2001, p. 4). At its core, Glaser compares GT with QDA in this way, “The essential comparative difference is that GT exists on a conceptual level and is composed of integrated hypotheses and QDA methods produce description with or without conceptual description mixed in” (2001, pp. 1-2).

Based on Glaser’s passionate position, and as a means to aid the reader in understanding the methods employed in this research work, I will first attempt to call out the stark relief of Glaser’s GT with his view of QDA tenets and common practices. In so doing, I hope to add clarity regarding the process of the GT method, how GT is applied in this work, and why GT is a good fit for this research inquiry. As a caveat, while I can

respect the fervor of Glaser's position, I find little room to navigate my own work in the strict confines of his structure, and so admittedly have adapted GT and QDA to best serve the needs of this inquiry and emergent discovery. These adaptations are discussed in detail in a subsequent section.

Contrasting Grounded Theory (GT) with QDA

Fundamentally, GT is the discovery of theory from data (Glaser & Strauss, 1967). While this is a simplistic statement, GTs' mission is lofty. The term GT is typically used to label a specific mode of inquiry and the resultant product(s) of that inquiry. Charmaz (2005) proclaimed that "...grounded theory methods are a set of flexible analytic guidelines that enable researchers to focus their data collection and to build inductive middle-range theories through successive levels of data analysis and conceptual development" (p. 507). If we consider the "job" of theory within our research domains, we expect theory to help us predict and explain behavior, to provide a useful guide for our own research endeavors, and for theory to be usable in practical applications such as in business and management. Accordingly, theory provides us a strategy for handling data in research in a relevant and meaningful manner (Glaser & Strauss, 1967).

Most researchers understand GT to be a *form* of qualitative inquiry. While GT is indeed a method steeped in qualitative tradition, according to Glaser (1978, 2001, and 2009), GT carries with it a distinct set of tenets and common practices that set it in stark relief from QDA. The key tenets separating GT from QDA (according to Glaser) are shown in Table 1.

Table 1
Key Tenets^a of GT and Qualitative Data Methods

Grounded Theory Method	Qualitative Data Methods
Research question or problem is emergent.	Research question or problem is preconceived.
Conceptual. Abstract from time, place, and people.	Descriptive. Renders the data descriptively and as accurately as possible.
Generates hypotheses to explain the behavior of people from which it was generated.	Generates findings to explain the people from which data is generated.

^aGlaser and Strauss, 1967; Glaser, 1978, 2001, 2009.

Emergent versus Preconceived Research Question

In traditional qualitative studies, a thorough literature search is a common and critical step in forming a research question and framing the planned research inquiry. This step is often needed to justify the research project at hand and to situate the inquiry with the “issues, uncertainties, dilemmas, or paradoxes” (Glesne, 2006, p. 22) within the field of study. By positioning the research project within the existing knowledge in the field, a researcher is better able to draw conclusions that clearly support, extend, or potentially refute current thought, thereby offering a valuable contribution to the field. While some qualitative researchers do argue against reviewing literature until after data collection begins, it is conventional and accepted that literature be reviewed throughout the process including a comprehensive search before data collection begins (Glesne, 2006).

In contrast, in GT the problem for the research emerges almost in spite of the researcher’s resistance. This study is a good example of this paradox. Initially, I believed that the purpose of this study was to explore the perceptions of retail employees who are closely connected to customers in regard to how customer-company interactions can be

improved. Specifically, I hoped that this study would shed light on the following questions:

1. What perceptions do retail employees have of current customer-company interactions?
2. What ideas about people, processes, or technology do retail employees have for improving customer-company interactions?
3. What implications, if any, emerge in regard to the strategic implementation of CRM systems in practice?

At the onset of this research journey, I thought I was embarking on a well-traveled path. Based on my previous professional experience and understanding of CRM, I thought that I would find what I knew to be true: that technology was both the root cause of and solution to improving customer-company interactions. However, through the use of GT, I was forced to challenge my own preconceived notions and beliefs and soon found this process evolving from, “I think technology is important – how are you using it?” to “What do you think is important to customers and why?” I believe this helped to transform this work into a complex theory about the basic social phenomenon of strategically constructed silos and the consequences and implications that result from them. The issue and contrast I try to illustrate here is not intended as a comparison of which method is better (e.g. GT or QDA); it is simply meant to illustrate the role that intent plays in the set-up of the study and the orientation of the researcher. Basically, do you know what question you are trying to answer (QDA), or will you make decisions affecting the research inquiry at each curve in the research road ahead (GT)?

Theory as an Input versus Output

In contrasting GT with other qualitative methods, theory is a key differentiator. In more traditional QDA methods, theory is an “input” to a study, grounding the study in particular traditions, literatures, or ways of understanding (Glesne, 2006). Theory often encompasses and frames your understanding of the phenomenon and helps prescribe focus, the language used to describe the phenomenon, and “steers” the study from inception to the final written report (Denzin & Lincoln, 2005). Finally, theory works to distinguish your work from that of journalistic inquiry (S. A. Marx, personal communication, September 2009). In these ways, theory is an “input” for QDA work with the researcher establishing a theoretical frame at the initial stages of a study that ultimately guides all stages within the research project.

In contrast, GT works in the reverse order. Because the prevailing theories and literatures in the area of study are consulted as a means to determine where the developed theory “fits,” theory is an output of the research endeavor (Glaser, 1978). Through the continual flow of data collection and analysis, the researcher is convinced that his conceptual framework has reached the level of substantive theory (Glaser & Strauss, 1967). This relegates theory to the “output” phase of the research study with theory as the outcome. The researcher is convinced of the substantive theory by reflecting “that it is a reasonably accurate statement of the matters studied, that it is couched in a form possible for others to use in studying a similar area, and that he can publish his results with confidence...” (Glaser & Strauss, 1967, p. 224).

Conceptual Versus Descriptive Outputs

Additionally, Glaser argued that a key difference between GT and QDA is conceptual versus descriptive accounts of behavior (2001). As means of example, in my own work using QDA, my coding and analysis rests on the comparison of incident to incident in an effort to capture the essence (or theme) of the situation and to relate these thematic elements in my writing via rich, thick description. Accuracy to detail, situational contexts, and the responsible re-representation of specific participant subjects is lauded, valued, and integral for reporting.

In contrast, because of the conceptual nature of GT which strives to transcend specifics of time, place, and/or people, GT attempts to account for “the major patterns in a substantive area in which participants resolve their main concern” (Glaser, 2001, p. 36). For instance in this work, abstracting the major patterns from time, place, and specific people yields the concept of strategically constructed silos with various impacts, consequences, and implications for practice. At this conceptual level, the idea of silos can migrate well beyond the retail context of this study and into virtually any venue involving human interaction.

Generating Hypotheses versus Findings

Because of the abstract nature of GT, what emerge from the work are abstract patterns that are commonly called categories. Glaser called this “[...] abstract complexity as a conceptual multivariate analysis of what is going on” (2001, p. 36). These categories and their respective properties ultimately connect into hypotheses regarding the behavior of the participants, rather than about the participants themselves. Glaser argued that:

It [GT] is as complete as the researcher can make it with parsimony and scope and with further data and constant comparison it gets modified more and more. GT knowing is grounded conceptual hypotheses not empirical facts. GT is not unit bound, it has general implications for anywhere. (2001, p. 36)

Using this research as an example, patterns emerged related to specific relationship moderators in customer-company interactions such as control, knowledge, and motivation of retail employees. These moderators (categories) then connect together to form hypotheses related to the impacts of silos on service. As will be subsequently shown, one outcome of this study is a set of related hypotheses regarding the implications and consequences of silos beyond the context of customer-company interactions in retail venues.

Contrasting GT with QDA Common Practices

While there are perhaps as many iterations of QDA as researchers employing them, certain common practices exist for many qualitative studies. As means of contrast, based on the work of Glaser and Strauss (1967), as well as the subsequent work by Glaser (1978, 2001, and 2009), I have attempted synthesize and contrast the differences in common practices between GT and QDA as shown Table 2. Understanding these differences to the common data handling practices of GT and QDA is necessary to fully understand the adaptations of GT employed in this study.

Adapting GT for This Inquiry

Throughout this work, I rely on the original work of Glaser and Strauss (1967) and subsequent work of Glaser (1978, 2001 and 2009) as my principal guide and blueprint for several reasons. First, Glaser and Strauss created the seminal work for strategically

Table 2
Common Practices of GT and Qualitative Data Methods

Grounded Theory Method	Qualitative Data Methods
Literature is reviewed after theory is generated to see where theory fits.	Literature is reviewed upfront as a means to frame and guide inquiry.
Constant comparison that involves the collection, coding, analysis, and writing to be done simultaneously throughout research project.	Typically discrete steps for data collection, coding, analysis, and writing are followed.
Theoretical sampling which flows out of constant comparison of data as a means to lead to “next data.”	Clear path for data collection and who study participants are/will be.
Theoretical open-ended interviewing that allow emergent ideas to guide interviews which are dynamic and changing over time.	In-depth interviews that may or may not be semi-structured in nature.
No audio recording or interview transcripts.	Commonly interviews are audio-recorded and transcribed for line-by-line thematic coding.
Categories are generated from data, and concepts are generated about categories.	Categories are generated from data and interrelated into thematic finding(s).
Member-checking is not valued (even wrong) as a check or test on validity.	Commonly invites participants to member-check descriptions and transcripts.
Does not assume relevancy of contextual descriptions such as participant age, gender, ethnicity, etc.; descriptions must earn their way into the theory.	Thick description of the context and research unit (e.g. location, age, gender, ethnicity, etc.) is encouraged and valued.

generating grounded theory. Second, their original work is considered the root of all subsequent grounded theory studies and newly developed techniques. Third, leading contemporary qualitative researchers in the marketing and management disciplines refer back to this original work to guide their own grounded theory efforts (e.g. Fournier, 1998; Gephart, 2004; Gummesson, 2005; Isabella, 1990; Klein & Meyers, 1999; Orlikowski, 1993, 1996; Ringberg, Odekerken-Schröder, & Christensen, 2007; Suddaby, 2006).

For instance, Suddaby (2006) published a manuscript in the *Academy of Management Journal* to guide future grounded theory efforts by elucidating six misconceptions of the method. Suddaby used the original Glaser and Strauss work to introduce the grounded theory method to the research community and clarify key concepts such as theoretical sampling, constant comparison, saturation, and theory generation. Fourth, most elements and guiding principles introduced in the original work continue to be used by contemporary grounded theorists in some form. However, as mentioned previously, while I have used GT as the foundation of my method, certain adaptations have been incorporated to best serve the needs of my inquiry and the emergent discovery. These adaptations are shown in Table 3 and are subsequently explained in greater detail.

The adaptation of GT that is applied in this research is inclusive in Table 3. Fundamentally, adaptation is applied to three areas: (1) audio-recording and transcribing of in-depth interviews, (2) member-checking interviews and presentation of theory and hypotheses to participant companies, and (3) inclusion of descriptive data in final reporting. In essence, these adaptations were made to ensure that the value to practitioners would remain intact and in a meaningful format. For instance, two very seasoned retail executives reviewed the findings of this report and encouraged me to retain the voices of the participants since it helped to contextualize the findings and the analytical interpretations of data. While the descriptive nature of this report is not classically GT, it serves the intended audience well since more than half of the participants that were interviewed and audio-recorded requested a final copy of this work.

Table 3
Adaptations of GT for this Research

Classic GT	GT Adaptation Applied in this Research
Literature is reviewed after theory is generated to see where theory “fits.”	Literature of CRM already known. Literature search of S-D logic and CEM performed after theory was generated to see where theory “fits.”
Theoretical sampling.	Clear path of initial concentration site participants, theoretical sampling thereafter.
Theoretical open-ended interviewing.	Theoretical open-ended interviewing and observations.
No audio recording or interview transcripts.	Audio-recording and transcription of all in-depth interviews as an aid for theoretical memoing. Observational data documented in journal.
Constant comparison that involves the collection, coding, analysis, and writing to be done simultaneously.	Constant comparison method throughout for the collection, coding, analysis, and writing.
Categories are generated from data, and concepts are generated about categories.	Categories generated from data and interrelated into “thematic” finding(s), and concepts generated about categories.
Member-checking is not valued (even wrong) as a check or “test” on validity.	Participants invited to member-check their transcripts. Three participant companies were presented the resulting hypotheses and theory.
Does not assume relevancy of contextual descriptions such as location or participant data. These contextual descriptions must earn their way into the theory.	Unknown at project inception. At conclusion, contextual descriptions not proved relevant in theory, but still reported.

Therefore, to ensure the voice of participants is captured adequately, audio- recording and member-checking interviews were both justifiable and warranted. Additional comments regarding these adaptations are included in subsequent sections regarding the GT methods and my data collection, constant comparison, and theoretical sampling activities.

The value of information captured via this method rests on my orientation as a qualitative researcher and the ontological beliefs that reality is “socially constructed,

complex, and ever changing” (Glesne, 2006, p. 6). What is real becomes relative to the specific phenomenon and context being studied (Denzin & Lincoln, 2005). This epistemology relies on assumptions of coming to know and understand this “reality” through in-depth subjectivist explorations of participants and/or settings and it values a perspective that seeks to situate the data into a socio-political-cultural milieu with the intent to understand, contextualize, and interpret (Glesne, 2006). GT builds on this by seeking to generate (rather than verify) new theory by contrasting differences between “the daily realities (what is actually going on) of substantive areas” (Glaser & Strauss, 1967, p. 239) and the interpretations of those realities by the actual participants in them.

Appropriateness of GT to this Inquiry

In my previous work related to CRM (O'Reilly & Paper, 2010; O'Reilly & Paper 2009a, 2009b, 2009c, 2009d) insights were generated that suggest that there is “something there,” and this motivates me to continue my exploration of customer-company interactions. However, the current approaches to examining the CEM/CRM phenomenon provide a helpful, albeit limited, understanding of improving customer-company interactions. Due to their limited nature (e.g. in terms of the number of studies and their relevance to this research), it seems appropriate to look to a relatively unused method that allows for unfolding discovery.

Choosing between a qualitative method and GT is hard at the beginning as it is hard to give up the surety and comfort of a unit to study, an interview guide, a preconceived problem to orient the research, taping all incoming data, a set sample to interview, getting evidence that attains the stature of facts, and so forth. In spite of wanting the relevance of GT, QDA researchers find it hard to start data collection without knowing what to look for and what is going to emerge. (Glaser, 2001, p. 45)

Evert Gummesson (2005), a leading marketing scholar noted that “[...] theory in marketing is not really developing beyond conventional concepts, piecemeal models, current events and success stories” (p. 318). He is not alone in this thought. Many scholars in the field question if research in marketing and management is making the contribution needed (Alvesson & Willmott, 1996; Brown, 1993; Piercy, 2002). For instance, asked Gummesson,

Do we really come up with results of any impact? Do we offer anything novel that also has practical relevance? Do we make things happen? Do we even react when things happen or do we just follow the “research as usual” daily routine? (2005, p. 310)

If current theory is lacking or suboptimal, then new theory must be generated. I am aware of only one research method that is focused on developing (rather than verifying) theory: the GT method. “Generating a theory from data means that most hypotheses and concepts not only come from the data, but are systematically worked out in relation to the data during the course of the research” (Glaser & Strauss, 1967, p. 6). Gummesson (2005) also supports this strategy:

Grounded theory concepts and guidelines are clearly underused in marketing. All are not necessarily unique but they have been coherently ordered and reached a high degree of completeness in combining theoretical sensitivity, memos, comparative analysis, theoretical sampling, saturation, open and selective coding, the identification of core variables, and the generation of specific and general theory. (p. 323)

The remainder of this chapter is organized to follow the key steps I used in applying the GT method to this project and will include a discussion on each of the following topics: (1) establishing a common lexicon, (2) the initial concentration site, (3) ongoing theoretical sampling, (4) data generation and data sources, (5) data coding and analysis, (6) issues of trustworthiness, and finally, (7) limitations of the study.

Establishing a Common Lexicon

Throughout this document, several terms are used repeatedly. In an effort to ensure consistent meaning, the following is provided as a means to establish a common lexicon for this work. For consistency and industry-wide validity, unless otherwise noted, all definitions are provided by the American Marketing Association (AMA) and can be found on AMA's website (http://www.marketingpower.com/_layouts/Dictionary.aspx).

Common Terms Used in This Study

Brick-and-Mortar Retail Store

A place of business (establishment) open to and frequented by the general public, and in which sales are made primarily to ultimate consumers, usually in small quantities, from merchandise inventories stored and displayed on the premises.

Customer / Consumer

The entity is the actual or prospective purchaser of products or services. Traditionally, the entity is the ultimate user or consumer of goods, ideas, and services. However, the term is also used to imply the buyer or decision maker as well as the ultimate consumer. A mother buying cereal for consumption by a small child is often called the consumer although she may not be the ultimate user. These two terms are used interchangeably in this work with no distinction made between them.

Customer Satisfaction

The degree to which there is match between the customer's expectations of the product and the actual performance of the product. Expectations are formed based on information consumers receive from salespersons, friends, family, opinion leaders, etc., as well as

past experience with the product. This is an important measure of the ability of a firm to successfully meet the needs of its customer.

Customer Service

The set of retail activities that increase the value customers receive when they shop and purchase merchandise.

Non-routine Tasks

The “routine-ness” of a task refers to the frequency that the task is performed by retail employees. For purposes of this study, non-routine tasks are those tasks performed weekly or less frequently. This definition is that of the author and not supplied by AMA.

Offline Marketing

Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. Offline marketing does not employ the Internet or e-mail based aspects of a marketing campaign. Offline marketing can incorporate direct mail advertising, direct selling, telephone campaigns, or other non-internet supported tools.

Online Marketing

Online marketing refers to the Internet and e-mail based aspects of a marketing campaign. Online marketing can incorporate banner ads, e-mail marketing, search engine optimization, e-commerce and other tools.

Retailer

The entity is a merchant middleman who is engaged primarily in selling to ultimate consumers. One retailer may operate a number of establishments.

Retailing

A set of business activities carried out to accomplish the exchange of goods and services for purposes of personal, family, or household use, whether performed in a store or by some form of non-store selling.

Retail Salesperson / Retail Employee

A salesperson employed by a retailer who is involved in selling goods and services to the ultimate consumer in retail stores or through some form of non-store selling. These two terms are used interchangeably in this work with no distinction made between them.

Routine Tasks

The “routine-ness” of a task refers to the frequency that the task is performed by retail employees. For purposes of this study, routine tasks are those tasks performed at least once or more daily. This definition is that of the author and not supplied by AMA.

Service Desk

A station within a store where customers take merchandise for exchange or credit and receive information or other services, depending upon company policy.

Service Recovery

The goal of service recovery is to identify customers with issues and then to address those issues to the customers' satisfaction to promote customer retention. It is commonly accepted that customers who have had a service failure resolved quickly and properly are more loyal to a company than are customers who have never had a service failure. This definition was taken from http://www.greatbrook.com/service_recovery.htm.

Silo

Refers to the sealed-off nature of information and the uneven distribution of or access to information by retail employees. This is the author's definition and is not supplied by AMA.

Stock keeping Unit (SKU)

1. (physical distribution definition) A specific unit of inventory that is carried as a separate identifiable unit. A pint bottle and a quart bottle of the same product would be separate SKUs for inventory purposes 2. (retailing definition) The lowest level of identification of merchandise.

Choosing the Initial Concentration Site for Data Collection

“Data collection starts most often in a concentration site, this is a unit where the area of interest goes on in concentration” (Glaser, 2001, p. 179). Considering that the purpose of this study is to explore the perceptions of retail employees who are closely connected to customers in regard to how customer-company interactions can be improved, I was interested in finding an initial concentration site where employees

utilized various channels for customer-company interactions. These channels of interest are illustrated in Figure 1.

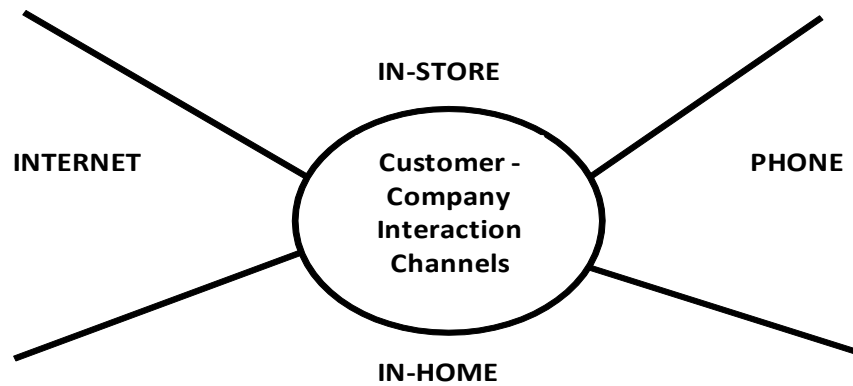


Figure 1. Customer-company interaction channels.

The desire to find an initial concentration site using various channels for interaction resulted in choosing a large retailer that uses in-home, in-store, phone, and Internet channels for customer-company interactions. This initial concentration site was chosen due to these channels and also because I had contacts within the company that could aid in securing access, permission, and cooperation. One-half of the in-depth interviewees in this study originated from the concentration site which I assigned the pseudonym of Big Retailer (BR). As a means to provide the reader a “road map” of my data collection efforts throughout this discovery, Figure 2 is provided. Details of each step are included in the next sections.

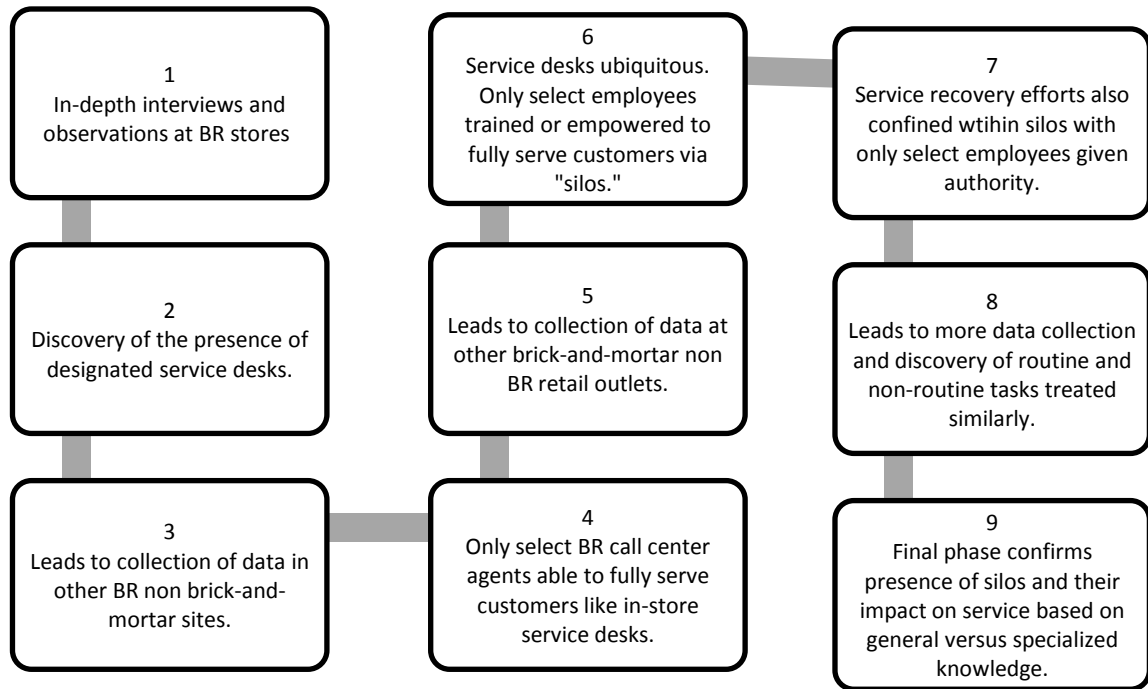


Figure 2. Iterative discoveries from constant comparison and theoretical sampling leading to next data.

Recruiting BR Retail Employees, In-Store (n = 3)

After determining my initial concentration site (BR), I purposefully selected retail employees at BR's brick-and-mortar locations by approaching the first retail employee to make eye contact, and then asking him or her to participate in the study. While this unsophisticated technique is subjective, I did not want to let my own comfort or biases drive recruitment. Meaning, on my first visits in store, I found myself approaching the same type of retail employee, which would have potentially constrained the findings. So, in essence, I allowed the participants to *find me* by making eye contact. I believe the eye contact test represents a level of customer service that should be at or above average for the typical BR retail employee.

These efforts resulted in the recruitment of Donna, James, and Olive (all names used are pseudonyms that were selected by the participant) for in-depth interviews. From this data, the discovery of variable service emerged. Meaning, not all customer issues or inquiries could be handled equally well throughout the store either due to physical service areas in store or lack of training and knowledge of certain employees working in store. Additionally, during my in-depth interviews with Donna, James, and Olive, I was left with the impression that these participants were at times telling me what they thought was “right” instead of fully sharing what they believed. This situation propelled me to observe these participants in store in an effort to explore their actions and words collectively. These observations lead me to observe additional employees in BR stores as well, and to move beyond the brick-and-mortar locations of BR to explore the service interactions of other BR channels members such as call center agents and in-home service providers.

*Recruiting BR Retail Employees In-Home,
Telephone, and Web (n = 6)*

BR provides in-home services that are performed by third party service providers. Two of BR’s service providers are subsidiaries of BR. These subsidiaries are franchise companies that handle the actual in-home service delivery, as well as the leads that come from BR’s 1-800 telephone number and website. By focusing on these subsidiaries, I was able to access BR participants from each distinct customer interaction channel via two service providers.

My selection of participants for in-home, telephone, and web channels relied on a snowball sampling technique that was based on the recommendations of two individuals

at the subsidiaries. My first recruited participant at this data collection stage, Wendy, is a long-time employee and is involved with BR customers daily; handling service quality issues and customer complaints. After her interview, I asked Wendy to recommend other participants.

Second, I contacted the Director of Franchise Operations at one of BR's subsidiaries and asked for a list of franchisees that are owner-operators and who are involved in working within BR stores. Because I had interviewed the Director of Franchise Operations (Cecilia) for another related research project, I did not ask her to participate in this project due to the time commitment. All franchisees that were recommended by Cecilia were contacted and asked to participate.

Based on the initial input of Wendy and Cecilia, internal support staff members Kim and Dan and franchisees Rebecca, Josh, and Brett were recruited via this technique as shown in Figure 3. As a point of reference, each franchisee that was selected also served at least one term on the franchise advisory board of the company. I deemed this as important since the nature of that elected position requires franchisee board members to communicate actively within and across the franchise network. I believed that this added perspective and insight to my research purpose.

By sampling across and within the various interaction channels of BR, the iterative discovery of designated service areas is refined to include notions related to training and development of personnel as well as authority being granted to only select individuals. These non brick-and-mortar sites emulated the service desk concept that I

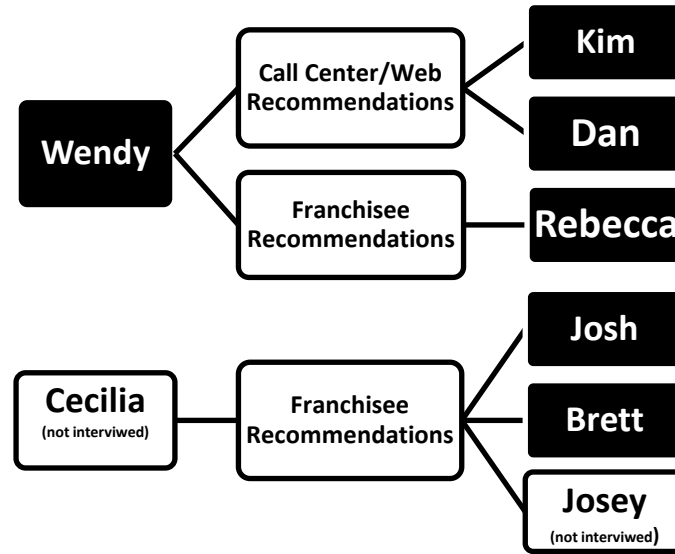


Figure 3. Snowball sampling schema for concentration site subsidiaries in-home, phone, and internet retail employees (participants shown in black).

had observed in BR stores with designated call center agents handling specific customer inquiries. This process of iterative discovery via my data analysis and constant comparison efforts lead me to my next data collection site(s) beyond BR via the theoretical sampling technique espoused by GT.

Theoretical Sampling and Site Spreading

As advocated by Glaser and Strauss (1967), from the first nugget of data collected, I adopted theoretical sampling and constant comparison to guide the direction of data collection and analysis for this study, and to facilitate theory generation. Theoretical sampling is an ongoing process of data collection and analysis that directs the researcher to obtain further samples (Goulding, 2002). Constant comparison is a data analysis method that requires the researcher to jointly collect, code, and analyze data. With constant comparison, new data is compared to earlier data iteratively to enable

researchers to adjust their questions based on the ongoing analysis surrounding participant issues, problems, and concerns.

Using theoretical sampling and constant comparison, I was guided naturally by what the data revealed in my analytical iterations to the *next* data based on my theory as it emerged. “This process of data collection is *controlled* by the emerging theory, whether substantive or formal” (Glaser & Strauss, 1967, p. 45, emphasis in original). The initial decisions for theoretical collection of data were based only on a general subject or problem: How retail employees believe customer-company interactions can be improved. Accordingly, my categories and concepts were continually refined as a result of insights captured during a series of face-to-face interviews with, and observations of, retail employees affiliated with the initial concentration site BR. Building on this initial data from these participants, the research expanded to additional venues where recruitment of participants was determined via theoretical sampling and constant comparison.

After my initial field-work amongst the concentration site participants was completed, my next data was collected from participants following “opening coding” whereby I began to “sample in all directions” (Glaser, 2001, p. 46) within various brick-and-mortar retail locations. The only sampling condition is that participants are retail employees that have daily interactions with customers in some type of retail setting.

Selecting Participants Beyond Concentration Site

Recruiting participants beyond BR followed one of two means: (1) “cold calling” at various retail venues ($n = 5$), or (2) relying on my previous professional relationships ($n = 4$). The first method, cold calling, involved going into retail venues unannounced and following the same protocol used at BR: letting participants *find me* by making eye

contact. This required many visits to many venues to recruit participants, which resulted in the recruitment of Dylan, Beth, Sam, Alex, and Marcy.

The second method relied on my previous professional relationships to recruit participants beyond BR. This type of recruiting occurred primarily in latter stages of data collection, when my research focus and theory were becoming more refined. This method resulted in the recruitment of John, Grant, Brian, and Matt. In total, 18 participants were recruited for formal in-depth interviews via three distinct methods: (1) from BR ($n = 9$), (2) cold-calling ($n = 5$), and (3) previous professional relationships ($n = 4$). As means of an overview, Table 4 presents the in-depth interview participant pseudonyms, years of experience, company description, location, and interview mode used. As means of a summary, Figure 4 and Figure 5 represent the company types and their various customer interaction channels included in and relevant to this research, as well as the participants for each channel (by pseudonym).

As the iterative discovery guided theoretical sampling, my selection of participants for in-depth interviews became focused on interactions that were face-to-face in store since the data collected in those venues was richer, more varied, and more closely tied to the emergent theory of strategically constructed silos and their impact on customer-company interactions.

Observational Data in Support of In-depth Interviews

Concurrently, my observational data collection efforts became more intense with a great deal of focus centered on the grocery sector and specialty retailers such as gift stores, cellular service providers, and spas. As the iterative nature of theoretical sampling and constant comparison naturally led to data saturation, I focused on retail venues that

Table 4
In-Depth Interview Participant Profiles

Pseudonym	Years Experience	Company Description	State	Interview Mode
Alex	8 Years	National Bank	UT	Face-to-Face
Beth	2 Years	Call Center	UT	Face-to-Face
Brett	17 Years	Home Cleaning Business	NJ	Telephone
Brian	18 Months	Home Restoration Business	UT	Face-to-Face
Dan	7 Years	Call Center	UT	Face-to-Face
Donna	3 Years	Home Improvement Retailer	UT	Face-to-Face
Dylan	7 Years	National Book Retailer	UT	Face-to-Face
Grant	44 Years	Regional Drug Store Chain	WA	Face-to-Face
James	11 Years	Home Improvement Retailer	UT	Face-to-Face
John	9 Years	Home Cleaning Business	UT	Face-to-Face
Josh	32 Years	Home Cleaning Business	MI	Telephone
Kim	2 Years	Call Center	UT	Face-to-Face
Marcy	12 Years	Hair Salon and Spa	UT	Face-to-Face
Matt	35 Years	Tire Retailer	CO	Telephone
Olive	3 Years	Home Improvement Retailer	UT	Face-to-Face
Rebecca	33 Years	Home Cleaning Business	GA	Telephone
Sam	14 Years	National Pet Supply Retailer	UT	Face-to-Face
Wendy	25 Years	Call Center	UT	Face-to-Face

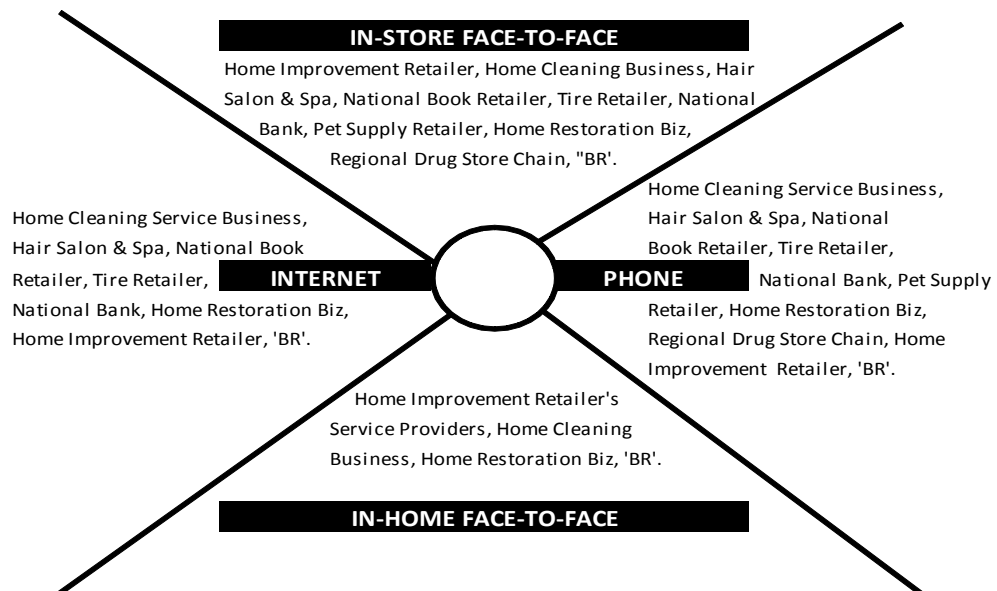


Figure 4. Data collection schematic by retail type and channel.

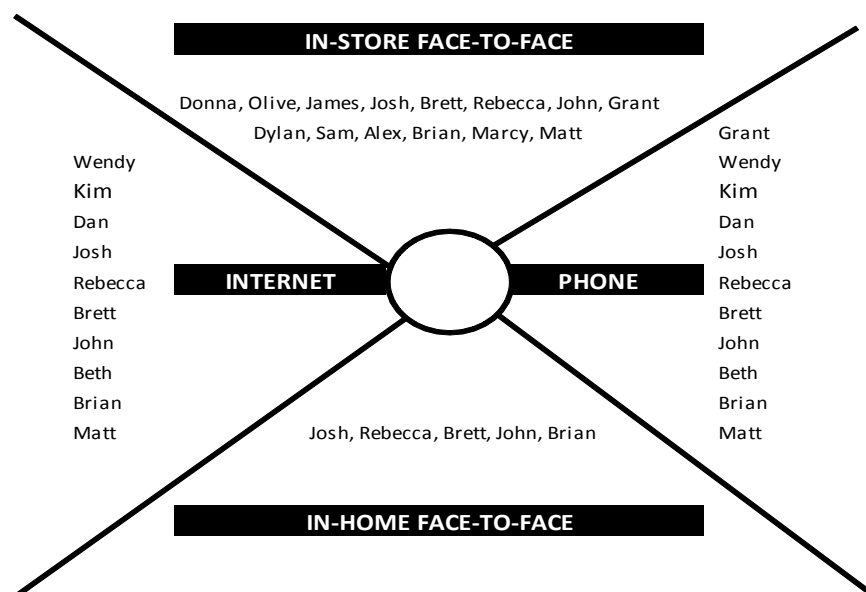


Figure 5. In-depth interview participants by channel.

were centered on the sales of services rather than hard goods as a means of comparability to test the outer bounds of the emergent theory. Combined, the data collected via in-depth interviews and observation covered 12 states (primarily in the West) as shown in Table 5.

Data Generation and Sources

Over the course of a 6-month period, I conducted all observations, interviews, and performed all transcription and analyses, to gain a holistic perspective as advocated by GT. I used a variety of sources including open-ended reciprocal interviews, member-checking interviews, observations, and participant and researcher artifacts. Each of these sources will be discussed in turn.

Open-Ended Reciprocal Interviews

Initial interviews with the participants shown in Table 4, were between 20

Table 5
Interview and Observational Data Collection Site Types and Location States

Retail Type	Location State(s)
Call Centers	CO, GA, UT
Fast Food Restaurants	AZ, HI, ID, MT, OR, UT, WA, WY
Grocery Store(s)	AZ, HI, ID, WA, UT
Hair Salon/Spas	AZ, HI, WA, UT
Home Services Franchise(s)	GA, ID, MI, NJ, UT
Home Improvement Retail Outlets	GA, ID, OR, UT, WA
Mass Merchandise Retailers	OR, UT, WA
National Banks	UT
National Book Retailers	UT, WA
Pet Supply Retailers	UT
Specialty Retailers (e.g. Gift Shops)	AZ, HI, UT, WA
Tire Retailers	CO, UT

minutes and three hours in duration, conducted one-on-one, tape-recorded, and transcribed. As a way of building rapport, I attempted to provide reciprocal value in the interviews for each participant. For some participants, my reciprocity was manifest in my expressed gratefulness for their participation. For others, when asked, I provided retail coaching, helped one participant find a new job, and filled the role of “listener and therapist” for a few other participants who shared with me some personal and professional struggles. As Glesne stated, “[...] obviously people will talk more willingly about personal, or sensitive issues once they know you” (2006, p. 113); and this was demonstrated in the first few minutes of interviews with those with whom I had a previous personal relationship. For others, it was achieved over the course of several interviews. In all but one instance (Sam), I feel that reciprocity was both given and accepted, demonstrating that rapport was established with most participants.

Interviews were open-ended with only two consistent interview questions asked of each participant:

1. What do customers like about (insert company name here)?
2. What frustrates customers about (insert company name here)?

These questions provided the core building blocks of the interview. Additional questions emerged from the specific participant conversations, as well as from questions identified in previous interviews using the constant comparison analysis technique. Some of the common questions that were asked in addition to the two listed were:

1. If you owned the company, what would you do differently?
2. What could retail employees do to improve customer-company interactions?
3. What processes should be changed to improve customer-company interactions?
4. What role does technology play in customer-company interactions?

Interview Modes

Two primary interview modes were used in this study: face-to-face and telephone interviews. Interview modes (e.g. face-to-face versus telephone interviews) have received a fair amount of research focus; however, research in this area tends to focus on fairly structured quantitative interviews (such as surveys). Based on research regarding interview modes for qualitative studies, a mix of face-to-face and telephone interviewing can be used successfully in qualitative projects (Fontana & Frey, 2005; Sturges & Hanrahan, 2004). Sensitive, embarrassing, or controversial issues lend themselves well to telephone interviewing due to perceptions of anonymity (Greenfield, Midanik, & Rogers, 2000). While I do not consider the subject matter to be overly controversial in this project, it was clear from several participants' responses that they were concerned about anonymity. As one participant said in her member-checking interview:

I know that you will use your best judgment when making sure that personal names and company names are left out. I would like to make sure that any remarks made by me in your paper are generalized to the point that if someone from [the company] were reading it, they wouldn't know exactly who I was talking about.

And in another case, several iterations of the member-checking interview were conducted with a participant to ensure that all personal and company identifiable information was masked. With this particular respondent, it wasn't until we read the final transcript out loud together, that the participant was satisfied with the degree of anonymity provided. These anecdotes lend credence to the notion that the nature of the interview subject matter felt controversial to some participants.

In addition to providing a viable means for interviewing, the simple aspect of using the telephone expands the researcher's access among hard to reach groups or respondents (Creswell, 1998). Telephone interviewing, like instant messaging or email interviewing may also simply be a sign of the times:

[...] it seems worthwhile to consider telephone interviews as a way to enhance qualitative research. Surely advances in technology shape the way we do research, and researchers need to consider how the technology in question fits in the lives of potential respondents. (Sturges & Hanrahan, 2004, p. 116)

In line with this, Kazmer and Xie (2008) have argued that the researcher should let the participants choose the interview mode as much as is reasonably possible. While my original project design anticipated all face-to-face interviewing, some research participants were recommended to me via the snowball technique for sampling. In these cases, upon completion of a face-to-face interview, I asked each participant if there was someone they might recommend to the study based on the nature of the interview questions. In some cases, the recommendations were not local or within easy driving distance. To include these participants' views, telephone interviewing was used.

However, telephone interviews were only used for participants with whom I had a previous working relationship.

Face-to-face interviews were conducted both in the retail outlets as well as in neutral locations such as a local restaurant. While in-store observations allowed a view of retail employees and their customers in their natural habitat, in-store retail employee interviews allowed me to ask questions relative to what I saw. Conversely, phone interviews relied on my recollection of service experiences and encounters I had personally observed with the telephone participants, and therefore, questions were asked of these participants regarding remembered scenarios and historical service encounters.

Full Transcriptions

As noted previously, I varied from the guiding blueprint of Glaser and Strauss (1967) by tape recording and transcribing the full interviews of participants listed in Table 4. Glaser (2009) referred to audio recording and transcription as “[...] not necessary and time taking in GT. Tape recorded data is not ‘meaningless,’ it is interchangeable and yields saturation of categories and their properties long before wading through it all. It is a waste” (pp. 8-9).

However, I found this process to serve me well in this research. I found the process of conducting the interviews and then transcribing them to be inherently important for analyses. For instance, while transcribing, I would simultaneously have three files open on my computer workstation: (1) a Word file of the transcription, (2) a file documenting refinements to my interview questions to use in follow-up interviews with the participant and others, and (3) my electronic research journal to record all of my emergent thoughts regarding categories, themes, and theoretical memos. Glesne (2006)

considered these types of activities to be extremely valuable. “Analytic noting is a type of data analysis conducted throughout the research process; its contributions range from problem identification, to question development, to understanding the patterns and themes in your work” (p. 59).

Because of the nature of elapsing time over of the course of this project, I also found it helpful to have both the transcription files and my research journal to reflect back on when contemplating codes, categories, and broad theoretical themes. Since both the transcriptions and research journal were dated, I could look back through time and note the factual content of the interview that was captured in the transcript, and then review my research journal for additional insight into the emotional, environmental, and situational conditions present during the interview and occurring in my own life at that moment. This strategy worked well for me and between these two sources it enabled me to easily put myself back in the moment of the interview when deep analysis was required.

Member-Checking Interviews

Member-checking interviews were conducted with each participant who was willing to share their email address to ensure the accuracy of the interview transcript (Glesne, 2006). In preparation for the member-checking interview, the individual’s interview transcription notes were emailed as a Microsoft Word document. Participants were asked to review the transcript thoroughly and encouraged to correct the document for any errors and to include any additional thoughts by adding them to the document. Once the participant transcript review process was completed, an email exchange took place with each participant to finalize the member-checking interview process. In all

cases except for Dylan, James, Olive, and Sam (who did not wish to share an email address), the transcript was verified by the participant. The member-checking cycle occurred within 2-3 weeks of the initial interview and took place via email in all instances except for Grant, who used the US postal service and Marcy and Alex who provided their comments on a hard copy of their respective transcripts. The member-checking process was collaborative, and the member-checking interviews served to substantiate my interpretive claims regarding the views (and words) of those who shared their stories, perceptions, and beliefs.

Observation

As mentioned, throughout the project, I would routinely visit retail outlets and observe the interactions between customers and retail employees as well as interactions between retail managers and their employees. These observations occurred in the retail settings of the participants of this project as well as with other employees at additional retail venues. Throughout these observations, I considered myself to be a participant-observer due to my round-the-clock role as consumer and party to the exchange. Meaning, every retail encounter during my data generation was either the result of a planned observation of a formal participant, or was warranted due to a personal household need. A personal household need included every trip for groceries, visits to the bank, and trips for pet, school, or other household purchases.

For some of my participants, my role as participant-observer was one of shared experiences from a previous working relationship. For the rest, my role of participant-observer occurred because I was the customer in the customer-company interaction. The collective observations formed the general backdrop and context for the study and were

recorded in-depth in my research journal. The journal memos helped to steer my future theoretical sampling and served as a guidepost for my constant comparison efforts. When in stores, I watched for interactions between people, and the resulting process-driven interactions (e.g. exchanging or returning products, a cashier's handling of manufacturer coupons, check verification, or credit card transactions). The observations naturally led to many interactions where technology was present (e.g. scanning an item to see if it is in stock, inventory scanning systems, self-checkout systems, etc.) and provided an additional glimpse into the intersection of people, processes, and technology.

Participant and Researcher Artifacts

During the course of interviews, participants would often mention processes, forms, websites, or advertising as an example to illustrate a point. When available, these artifacts were collected for analyses. In addition to the formal participants listed in Table 4, throughout this project I took every opportunity to share my project and initial thoughts with many of my professional contacts who were willing to listen. Often these colleagues shared their own anecdotes and offered to send me samples of what they were doing to improve customer-company interactions.

In sum, the combination of approaches and sources of data provided rich insights from the participants, creating a solid foundation with which to code, analyze, and construct meanings in an effort to elaborate the substantive theory of strategically constructed silos.

Data Coding and Analysis

Data generation produced more than 215 single-spaced pages of interview transcripts, over 80 pages of observations and theoretical memos, and multiple participant and researcher artifacts. Central to the idea of constant comparison is the notion that joint collection, coding, and analysis are crucial to the development of theory. The collection, coding, and analysis of data under GT require that, as much as possible, these three operations be done together. They should “blur and intertwine continually, from the beginning of an investigation to its end” (Glaser & Strauss, 1967, p. 43). According to Glaser and Strauss, the separation of these three operations inhibits the generation of theory. Therefore, GT “is the generation of emergent conceptualized, integrated patterns, which are denoted by categories and their properties” (Glaser, 2001, p. 9).

Consistent with the tenets of GT, I began by coding each incident into as many categories of analysis as possible, “as categories emerge or as data emerge to fit an existing category” (Glaser & Strauss, 1967, p. 105). As the data collection progressed, each piece of data was “systematically and thoroughly examined for evidence of data fitting into categories” (Isabella, 1990, p. 13). In addition to the generation of categories, my coding schema tracked the comparison group in which the event occurred (e.g. retail store employee at big box retailer). Similar to most qualitative coding paradigms, during coding, I compared each incident with previous incidents in the same and different groups coded in the same category. This comparison is the crux of generating *theoretical properties* of the categories which ultimately enable discovery of substantive theory.

Theoretical Memoing and Reduction

After coding for a category 3 or 4 times, I memoed my reflections in my research journal. This is consistent with the GT recommendation that after the initial categorical coding, the researcher “stops coding and record a memo on your ideas” (Glaser & Strauss, 1967, p. 107). This step was reliant on my own reflections as I attempted to link data to the logical conclusions that are based and grounded in the emergent theory.

Intertwined with the process of reflection was the process of integrating the categories and their properties. For instance, “constant comparative units change from comparison of incident with incident to comparison of incident with properties of the category so that the diverse properties themselves start to become integrated” (Glaser & Strauss, 1967, p. 109). For example, properties such as *corporate demands*, *being overwhelmed*, *reacting to competitors*, and “*them v. us*” were all integrated into a category called *Issues of Control*.

It is also during this phase that my theory began to solidify, providing external confirmation that I was performing the GT method properly, since “[...] theoretical connection between categories occurs in mature memos and sorting memo banks based on theoretical codes” (Glaser, 2009, p. 8). During this stage in analysis, I worked to take out non-relevant properties, and to integrate details of properties into the major outline of interrelated categories through reduction.

Following this iterative process that flowed out of the constant comparison of data and led to the next data via theoretical sampling, emergent categories were *reduced* into related constructs. In turn, these reduced and broader constructs were examined to determine what links, if any, exist between each for a final collapsing that resulted in a

few dominant themes with ultimately a full reduction to the substantive theory of the impact of silos on service.

Concentration Site Member-Checking

During the final stages of this project, I was invited to present my theoretical findings to key employees at the concentration site (BR) and its two subsidiary companies. These presentations were made to senior managers, middle-managers, retail employees, a few select vendors of BR, and franchisees from the two subsidiaries. Some audience members were formal or observational participants in this study, however, most were unfamiliar with the project other than general awareness. My theoretical concept of strategically constructed silos and their impact on service was well received and gave credence to Glaser's insight:

Concepts in general... have instant grab. They can instantly sensitize people, rightly or wrongly, to seeing a pattern in an event or happening that makes them feel they understand with know-how. In a word, the person feels like he can explain what he sees. (2001, p. 20)

In all cases during these three separate presentations, the substantive theory generated through this work was positively received to the degree that I have been asked to follow-up in future meetings at both BR and the subsidiary franchise companies.

Theoretical Saturation

“*Saturation* means that no additional data are being found whereby the sociologist can develop properties of the category. As he sees similar instances over and over again, the researcher becomes empirically confident that a category is saturated” (Glaser & Strauss, 1967, p. 61, emphasis in original). I believed that my emergent theory should

help to explain the phenomenon of customer-company interaction in the world and referred to my theoretical themes as *Super Themes* or the themes that remained after rigorous reduction and saturation. Once saturation was reached, only then was I able to begin theory generation. “[K]nowing in GT is grounded conceptual hypotheses not empirical facts. GT is not unit bound, it has general implications for anywhere. In fact the researcher starts seeing the GT process go on everywhere...” (Glaser, 2001, p. 36).

Successful implementation of the GT process to this point meant that I had coded data (in various forms), had created a series of memos based on meaningful reflection, and had formulated substantive theory grounded in the data. According to Glaser and Strauss (1967) my memos should provide the content behind each of my identified categories (my major themes of the theory). The test I used to evaluate my formulated substantive theory is whether it presents a reasonably accurate statement of the problem explored (customer-company interactions) and what the practical and relevant implications for others studying this problem might be (Glaser & Strauss, 1967). My initial presentations of the theory to the concentration site and its subsidiaries provide evidence that the substantive theory I had discovered was relevant in the environment from which I had gathered data for this study and has useful application in practice.

Issues of Trustworthiness

Several methods were used to elevate the trustworthiness of this exploration: (1) multiple interactions with participants, (2) participant member-checking interviews, (3) purposeful sampling of participants in distinctly different retail environments, across a broad range of ages, ethnicity, and years of experience in retail, (4) triangulation of data types including personal interviews, observation, and participant-supplied artifacts, (5)

ongoing reflexive memos to help mitigate my own biases, (6) data-informed literature search, review, and analysis, and (7) confirmatory presentation of theory to the concentration site and its subsidiaries. Through these means, I have increased the trustworthiness of this research.

Limitations and Future Research

Customer-company interaction is a dyadic construct, in that it requires two parties. However, in this investigation, I only considered the interaction from a single point of view: that of retail employees. Future work should include additional stakeholder perspectives to complete the picture of the customer-company interaction. Additionally, while the participant attitudes, beliefs, and perceptions of customer-company interactions illuminated by this exploration are grounded in the data, this research is limited by the general nature of subjectivist social research (Glesne, 2006). Nevertheless, the data provides a rich and valuable source of information that can be trusted for the participants in particular. Therefore, through this method and the generation of substantive theory addressing the phenomenon of interaction in an applied manner, the findings may be of practical use to companies and managers in particular.

REVIEW OF LITERATURE

The timing of the literature search, review, and analysis occurred after the majority of my data was collected and the substantive theory was well-formed. This process was followed in an effort to balance both the contemporary thought of Barney Glaser (2009) and the original seminal work on GT by Glaser and Strauss (1967). In his most recent work, Glaser (2009) argued that “novices without a literature search in the substantive area to distract or force them are more open to the emergent and soon find their thought emerging from the constant comparisons in the data” (p. 6). In contrast, Glaser and Strauss (1967) originally formed a more holistic (and perhaps more realistic) view of the environment in which we operate as researchers and argue that the researcher “[...] does not approach reality as a *tabula rasa* (Latin for blank slate). He must have a perspective that will help him see relevant data and abstract significant categories from his scrutiny of the data” (p. 3, emphasis in original). My previous work related to CRM as well as the literature used to craft an acceptable dissertation proposal represents this informed perspective as originally considered by Glaser and Strauss.

However, because the comprehensive literature search, review, and analysis were performed well into data collection, they were informed by the GT; meaning the resultant journey of data collection, theoretical sampling, and coding helped bound the literature through a series of iterations that were each data informed. Interestingly, the emergent streams of literature that resulted challenged me to consider ideas, notions, and constructs that were either unknown to me previously or significantly different than what I *expected* to find. It is this notion of expectation that I recognize as being incongruent with GT and through a series of reflective memos, I attempted to relegate these expectations to the

background so that the data (and not my preconceived expectations) could better guide my efforts. My expectations and biases are explored further below to aid the reader in understanding my starting perspective as I began this research endeavor.

What I Expected to Find

While following the GT method, I confess that my professional experience of more than 20 years in retailing, as well as a childhood filled with stories from my father's 40 years in retailing had left me with some strong preconceived notions of how retail employees might view, value, and evaluate customer-company interactions. I expected to hear many of the same things that I had heard before. Having been responsible for retail store operations throughout my career, I would regularly conduct impromptu store visits and observe customer-company interactions. I was very accustomed to my role as interventionist and would commonly watch an exchange take place between a customer and retail employee and then meet with the retail employee to either recognize and reward their good performance, or coach them to improve based on what I had observed.

Adding to this bias and mindset was a fairly well-developed understanding of literatures in the areas of relationship marketing, CRM, and the information systems areas based on my previous work in the area of CRM. From this foundation, my biases formed a series of expectations. Specifically, I expected to find themes related to technology emerge as the key conduit between retail employees and their ability to develop long-term relationships with the customers they serve. I expected to hear horror stories of limited, unsophisticated, and poorly integrated information systems in store. Stories of how retail employees thought they could "do so much more" with better system interfaces linking back-of-shop and front-of-store operations. I expected ideas related to

product offerings, pricing, and advertising to emerge as the central themes related to how retail employees perceived that customers were evaluating the quality of the relationship. However, the reality was significantly different.

What I Did Find

My greatest and first surprise was the relative absence of product talk. Retail employees rarely addressed the sale of products or services, but rather focused on the aspects of the service they could provide in store, over the phone, or in the customer's home. Comments such as "Just take care of the customer - whether it's free delivery or giving someone a jump out in the parking lot" and "Making sure that when somebody comes in, we find a solution somewhere in the store" led me to search the literature using keywords such as: service, value co-creation, service science, service system, value-in-use, customer integration, and service provision. This search criteria resulted in the identification of a well-established research stream in the marketing literature called *Service-Dominant Logic (S-D)*.

My second surprise related to the importance retail employees placed on the experience of customers and their role in making the experience a positive one. When creating an experience for customers, physical as well as emotional factors affecting the experience emerged that were unexpected. From a physical standpoint, factors such as inventory stocking levels, assortment, and physically serving customers by escorting them through aisles, or helping them carry their purchases to their vehicle were highlighted. As one retail store employee said, "A lot of times customers expect us to approach them and that is probably the best way to give customer service instead of waiting for them to come find you."

Related to the notion of “experience” was a central theme that emerged in connection to the struggle retail employees experience in striking a balance between the demands of their employer and the demands of the customer. These emotional factors include things such as employee frustration, fear, and apathy. The combination of these physical and emotional factors led me to search the literature using keywords such as: customer satisfaction, customer experience, customer service, and social environments. These search criteria resulted in the identification of a fairly new research stream in the marketing literature called *Customer Experience Management (CEM)*.

The third area of surprise was the importance that retail employees placed on the notion of building the relationship with the customer over time. For instance one service provider said, “If I can create value every time I’m there that is how I build value over the long haul... and pretty soon I am cleaning whole neighborhoods.” Another said, “We have spent a tremendous amount of time rebuilding the customer relationships and trying to make sure the experience that they get, from this point forward, is ‘the greatest service experience ever.’” This reinforced my prior knowledge of the area *Customer Relationship Management (CRM)* in the marketing and information systems literature. Further search using the keywords relationship marketing, customer retention, customer relations, customer intimacy, customer relationships, and customer strategy ensured a historical as well as contemporary selection of relevant CRM literatures.

Finally, I was surprised to hear retail employees speak in terms that were strategic in nature and reflective of their ability to consider the customer-company interactions from a holistic perspective. Meaning, what emerged was the idea that if the service provision (S-D logic), the customer experience (CEM), and retail initiatives were all

positive and customer-centric, then retail employees believed that the potential relationship between the customer and company would be on fertile ground and likely to develop, evolve, and mature (CRM). Each of these emergent literature streams will be fully explored in the next section.

Emergent Literature Streams

From insights gained during the GT process, as noted, three key literature streams emerged: S-D logic, CEM, and CRM. While the literatures related to CRM were very familiar to me, the S-D logic and CEM literatures were unknown to me at the time this study began. Each key research stream shown below has overlapping components with the others and no one stream fully explains the emergent themes from the data. While S-D logic provides an overall philosophical framework for the marketplace as a whole, CEM and CRM work to support both the S-D logic framework and explain the actions and beliefs of the retail employee participants in this study. Additionally, because participants view the customer-company interactions in a somewhat linear manner, the literatures are presented here as the participants shared them with me: Service orientation (S-D logic) → good customer experience (CEM) → good customer-company relationships (CRM). Therefore, through the blending of these constructs in the order presented, the literature is better able to frame the inquiry as shown in Figure 6.

The remainder of this chapter is organized as follows: (1) discussion of the foundation of and implications for S-D logic in this research, (2) discussion of the literatures and key components of CEM as they relate to this research, (3) discussion of CRM literature from a process/strategic viewpoint, and (4) a brief discussion on how these literature streams combine to further expand and refine this study.

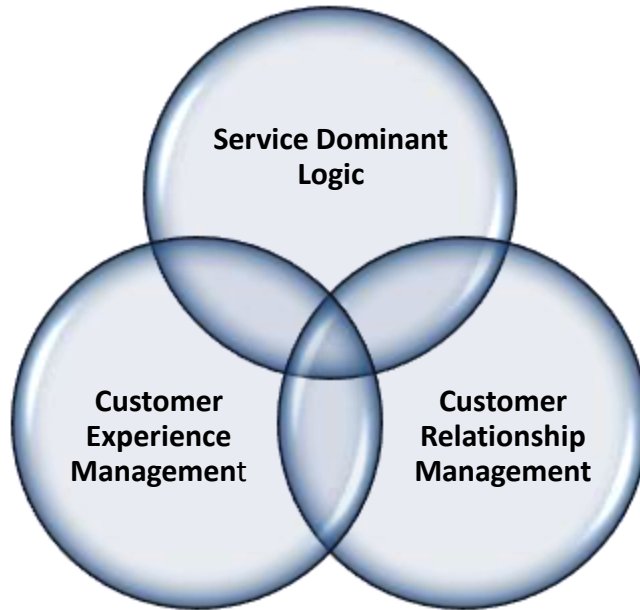


Figure 6. Literature streams framing this inquiry.

Service-Dominant (S-D) Logic

Marketing has often been epitomized as the singular act of exchange (Bagozzi, 1974). The exchange or transaction was the “be-all, end-all” moment. When money changed hands, the exchange was complete. As a relatively young MBA student in the 1980s, I quickly grasped this notion through the teachings of Porter (1987) in which a supplier-centric view concretely and systematically helped me to dissect the supply chain, diagnose gaps, and maximize the firm’s interest through a strategic process that typically involved financial models to predict scenarios and their financial impact and outcomes. Viewed this way, the idea of exchange was easy to grasp. *I make something, I price it, I promote it, and I distribute it to the customer.* Figuratively, the moment of exchange was the point in time when that product left my hands and was placed in the customers’ hands.

The marketing community has since moved forward by recognizing the power, pervasiveness, and wealth generated by services and how services impact the nature of and conditions for exchange. This more current thinking has resulted in a paradigm shift for marketers whereby “[...] marketing thought and practice has evolved over the past 100 years from a philosophy of taking things to market to a philosophy of market(ing) to customers and, increasingly today, to a philosophy of market(ing) with customers” (Lusch, 2007, p. 261).

Some marketing scholars considered this new focus on services to be a fragmenting force on marketing theory, thought, and application and brushed aside services marketing literatures as sub-disciplines or splinter areas (Rust, 1998). However, in their seminal article, Vargo and Lusch (2004) argued that these splinter areas were less about a fragmented discipline and more about a shift from “[...] the exchange of tangible goods (manufactured things) and toward the exchange of intangibles, specialized skills and knowledge, and processes (doing things for and with)” (p. 2). They believed that an evolution was taking place in marketing toward a new dominant logic that has moved from a goods-dominant view whereby tangible products, outputs, and transactions formed the core, to more of a service-dominant view in which the processes and relationships were central. Defining service as “[...] the application of specialized competences (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself,” they argue that this definition “[...] captures the fundamental function of all business enterprises” (2004, p. 2). Today, this paradigm shift is broadly accepted as the predominant view by the fields’ leading scholars as evidenced

by their contributions to “Invited commentaries on ‘Evolving to a New Dominant Logic for Marketing’ in the *Journal of Marketing* (Bolton, 2004).

To understand this new dominant view, it is important to recognize that “[...service-dominant logic] S-D is contrasted with goods-dominant (G-D) logic to provide a framework for thinking more clearly about the concept of service and its role in exchange and competition” (Lusch et al., 2007, p. 7). At its core, both G-D and S-D logics are focused on the meaning, use, and priority placed on resources. Using G-D logic as an example, even a few hundred years ago, the prevailing view of resources was one that considered primarily natural resources, finite by definition, as the key means by which to measure wealth, power, and competitive advantage (Vargo & Lusch, 2004). Constantin and Lusch (1994) proclaim that this perspective views and values these operand resources (resources that are acted upon or changed to produce an output, such as timber to produce lumber) primarily with regard to how easily and cost-effective these operand resources could be converted. Following this line of thought, G-D logic views a firm’s customers as an operand resource and the acts rendered upon customers creates a change or effect (such as segmenting customer groups, capturing customer loyalty, penetrating customer markets, and promoting product benefits to customers) that results in value for the firm.

In contrast, S-D logic is concerned with the *operant* resources that act and create the change to operand resources. Operant resources by definition “are not static or fixed” (Vargo & Lusch, 2004, p. 2). Meaning, that it is what humankind *does* with operand resources that deliver the value. With the S-D perspective in mind, it may be worthwhile to consider that operant resources are ever-changing, expanding, and dynamic, which

implies that firms with an ability to maximize the act or change upon operand resources are those firms most likely to create and sustain a competitive advantage in the marketplace. Understanding that “Resources *are* not; they *become*” (Vargo & Lusch, 2004, p. 2, emphasis in original), it is this ever-expanding capability that is reliant on human ingenuity, skills, and knowledge, that co-creates value for the stakeholders of the firm, including the customers it serves. Moreover, S-D logic is:

[...] a logic that is philosophically grounded in a commitment to collaborative processes with customers, partners, and employees; a logic that challenges management at all levels to be of service to all the stakeholders; a logic or perspective that recognizes the firm and its exchange partners who are engaged in the co-creation of value through reciprocal service provisions. It is about understanding, internalizing, and acting on this logic better rather than the competition. (Lusch et al., 2007, p. 6)

It is important to note that the singular “service” in S-D logic indicates a “process of doing something for someone, rather than the plural “services,” implying units of output as would be consistent with G-D logic” (Lusch & Vargo, 2006, p. 282). Therefore, S-D logic frames the relationship between service and a good. For instance, Lusch and Vargo stated (2006, p. 283):

[T]he idea of service being the foundational concept of exchange and marketing has some strong and arguably very important normative implications. It intimates a very different kind of purpose and process for marketing activity and for the firm as a whole; to provide service to stakeholders, including customers, stockholders, and employees. It points almost directly to normative notions of investment in people (operand resources), long-term relationships, quality service flows, and only somewhat less directly toward notions of symmetric relations, transparency, ethical approaches to exchange, and sustainability. Arguably, these directions have advantages for both the enterprise and society that cannot be found in G-D logic.

Therefore, “[S-D logic] is applicable to all marketing offerings, including those that involve tangible output (goods) in the process of service provision” (Vargo & Lusch, 2004, p. 2).

Foundational Premises of S-D

As noted, S-D logic has at its core ideas related to services marketing, relationship marketing, and actions designed to improve the quality of the service provision resulting in a better long-term relationship with the customer. Throughout the data collection process, participants shared their ideas, experiences, and notions of improving customer-company interactions. The data consistently related back to S-D logic in a very direct manner, thus leading me to explore the S-D logic literature with which I had been previously unfamiliar. Per the seminal article by Vargo and Lusch and its follow-up articles (2008, 2004), 10 foundational premises (FPs) structure S-D logic:

1. Service is the fundamental basis of exchange.
2. Indirect exchange masks the fundamental basis of exchange.
3. Goods are a distribution mechanism for service provision.
4. Operant resources are the fundamental source of competitive advantage.
5. All economies are service economies.
6. The customer is always a co-creator of value.
7. The enterprise cannot deliver value, but only offer value propositions.
8. A service-centered view is inherently customer oriented and relational.
9. All social and economic actors are resource integrators.
10. Value is always uniquely and phenomenologically determined by the beneficiary.

In essence, people want to acquire the skills and knowledge that they do not have themselves, as expressed by Lusch et al., “[...] applied knowledge for another party’s benefit is exchanged for service” (2007, p. 7). However, S-D logic recognizes that

today's market structure has resulted in a waning impact and indirect connection to customers over time. This is attributed to the growth of vertical marketing systems and the pervasiveness of the large bureaucratic organization which has resulted in most employees having little interaction with customers (Webster, 1992).

However, in the last decade or so, companies seem to be glimpsing the value that a "co-creation" mindset can yield. Marketing products to only those customers who qualify creates value by not disappointing or frustrating customers who may not qualify. Likewise, encouraging co-creation through the simple use of self-service technologies like customer-use scanners in grocery stores is another example of co-creation. Vargo and Lusch argued that:

Goods are appliances that provide services for and in conjunction with the consumer. However, for these services to be delivered, the customer still must learn to use, maintain, repair, and adapt the appliance to his or her unique needs, usage situation, and behaviors... in using a product, the customer is continuing the marketing, consumption, and value-creation and delivery processes. (2004, p. 10)

This implies a long-term proposition for customer and company interactions whereby a customer's *use* of the product or service is as pivotal as the initial transaction.

Understanding what customers want and providing information for use may improve the relationship between customer and company.

The idea of co-creation of value within S-D logic suggests that reciprocity is involved. For instance, "[...] the enterprise can only offer value propositions; the consumer must determine value and participate in creating it through the process of coproduction" (Vargo & Lusch, 2004, p. 11). While companies cannot control what value or meaning customers attach to their communication, S-D logic implies that the

communication itself is always customer-centric and focused on relationship development, implying a long-term prospect.

In a service centered model, humans both are at the center and are active participants in the exchange process. What precedes and what follows the transaction as the firm engages in a relationship (short- or long-term) with customers is more important than the transaction itself. (Vargo & Lusch, 2004, p. 12)

While the “[...] organization exists to serve society and themselves through the integration and application of resources” (Lusch et al., 2007, p. 7), the true value creation comes from a context of “networks of networks” (Vargo & Lusch, 2008, p. 7). Meaning, while organizations must think beyond the constraints of their own enterprise to the consumer, community, and marketplace, it is actually through the interrelatedness of groups of “actors” where value is sourced and maximized. A “network” perspective might involve the interrelated relationships that exist between the consumer and the various parties involved in providing the service. This interrelatedness creates a close link between specialization, exchange, networks, and interaction.

[A]s the division of labor increased, another important development occurred – the connectedness of individuals. As each person specializes we become more dependent and connected to others. Thus both the extent of the market and the density of the network of interconnections is a function of the divisions of labor in society. (Lusch & Vargo, 2006, p. 411)

S-D logic is “philosophically grounded in a commitment to collaborative processes with customers, partners, and employees” (Lusch et al., 2007, p. 5). These collaborative processes are at the heart of this inquiry and are explored via the experiences, perceptions, and frustrations of retail employee participants.

Customer Experience Management (CEM)

It has been said that “Customers always have an experience – good, bad, or indifferent – whenever they purchase a product or service from a company” (Berry et al., 2002, p. 88). Therefore, understanding, improving, and effectively managing the experience within a retail setting has been a long-held priority for most retail management teams and “remains a critical area for academic research” (Grewal, Levy, & Kumar, 2009, p. 1). Yet “the literature in marketing, retailing, and service management historically has not considered customer experience as a separate construct” (Verhoef et al., 2009, p. 32). Perhaps as a means to coalesce the disparate streams of research related to customer experience, the oldest retailing journal, *Journal of Retailing*, recently published a special issue on “Enhancing the Retail Customer Experience” (*Journal of Retailing*, Volume 85, Issue 1, 2009).

Loosely defined as a holistic perspective that includes every point of contact (touch-point) that exists between a company and the customer it serves, customer experience management (CEM) is a retailer’s strategy to engineer the customer’s experience in such a way as to create value both to the customer and the firm (Verhoef et al., 2009). In line with S-D logic, experience(s) between customer and company may be influenced by the power and trust that exists within the relationships beyond just the customer-supplier dyad. Meaning, all actors in the integration of resources used to create an experience are relevant to the creation of value throughout the value chain and the quality of the interaction remains key (Fyrberg & Jürriado, 2009). Supporting this notion:

Many retailers are realizing that their growth and profitability are being determined by the little things that make a big difference in customer satisfaction and loyalty; for example, easy interaction between the customers and firm, consistency of the message across all the communication channels, providing

multiple channels to interact and shop, and finally being responsive to customer needs and feedback. (Grewal et al., 2009, pp. 1-2)

Research supports the premise that effective customer experiences promote customer satisfaction and improve both customer loyalty and company profitability (Frow & Payne, 2007; Gentile, Spiller, & Noci, 2007; Grewal et al., 2009). At its simplest, good CEM strategy has been described as being about creating a point of differentiation in the consumer's mind through an experience rather than a product (Frow & Payne, 2007; Holbrook & Hirschman, 1982; Patterson, Hodgson, & Shi, 2008). In line with S-D logic and the notion that all businesses are service businesses, it is important to consider that, whether the customer is buying a power tool or a life insurance policy, "A service experience is held in the mind and not in the hands" (Ford & Bowen, 2008, p. 230), with the experience (good or bad) crafted of physical and emotional constructs. Of note is the difference between the concepts of customer experience and customer experience management. The former relates to everything the *customer* feels, thinks, believes, and perceives about the shopping experience, while the latter is concerned with a *retailer's strategy* to engineer a positive experience for the customer. (For more on customer experience and a wonderful and entertaining account of a UK retailer told through subjective personal introspection, see Patterson et al., 2008).

Because this research is focused on the perceptions of retail employees regarding customer-company interactions, I focus on the CEM-related literature that addresses the situational variables that might influence customers such as: employee attitude, knowledge, store policies, social environment for the shopping experience, service interface, shopping atmosphere, price, assortment, channel issues, and past customer experience(s) (e.g. service recovery). The data highlighted some, but not all, of these

areas. The following areas emerged in this research: (1) service interface, (2) assortment, (3) channel issues, and (4) past customer experience(s). Each of these will be addressed in turn.

Service Interface

In my professional career as a retail marketer, I have interacted with hundreds of retail employees in various industries and via multiple channels (face-to-face, telephone, Internet). Perhaps as a remnant from my father's tutelage, I believe that you "hire for attitude and train for skills." From this perspective, I accept that the interaction between retail employees and customers is one critical element in the delivery of good (or bad) service experiences. In support of my notion, Ford and Bowen (2008) argued that "[...] in both services practice and research, there is an emphasis on the linkage between internal employee attitudes and external customer attitudes and even service-firm profitability" (p. 232). Going one step further, retail employees may influence customer perceptions, generate favorable word-of-mouth, and impact the company's brand equity (Gremler & Gwinner, 2008; Goff et al., 1997; Plakoyiannaki et al., 2008).

Research has attempted to identify the traits or behaviors that positively impact customers such as smiling, being friendly, acknowledging customers when they enter, being able to identify customer needs, and being immediately available for customers (Bäckström & Johansson, 2006; Baker, Parasuraman, Grewal, & Voss, 2002; Homburg et al., 2009). These behaviors highlight that there is more than simply a product exchange at work and shed light on the role that emotions play in the overall customer experience. While multiple stores can offer the same products or services, creating a strong emotional

bond through effective customer-company interactions is an effective means to thwart competitors (Berry et al., 2002).

While research suggests that accessibility of retail employees can influence the interaction, the *quality* of the interaction is also important. Meaning, the competence of the retail employee (e.g. their advice, suggestions, and guidance to a customer) is as important as their accessibility (Bäckström & Johansson, 2006; Mittal & Lassar, 1996). Interestingly, the way in which an employee's competence is demonstrated is also important. For instance, selling style of the retail employee is highlighted in the research. Often called "customer oriented selling" (Goff et al., 1997) or "relationship selling" (Beatty et al., 1996), it is suggested that selling style is important and noteworthy when the retail employee can offer a range of alternative products and has product expertise, when the purchase is complex, when there is a positive relationship between the retail employee and customer, and when referrals and repeat sales are important to the company (Saxe & Weitz, 1982). However, it should be noted that relationship selling is typically viewed as a connection or bond between the retail employee and the customer, versus relationship marketing that considers the connection between the customer and the company (Yim et al., 2008). While I am interested in the perception of retail employees regarding customer-company interactions, my research goals are focused on improving the connection between companies and customers, not between customers and individual retail employees.

Lastly, a great deal of recent research has emerged to address the customer-company interface of self-service technologies (SSTs) as it relates to consumer readiness (e.g. see Meuter, Bitner, Ostrom, & Brown, 2005). While technology has existed in many

back-shop systems and processes for decades (such as manufacturing and accounting), it has also begun to make great headway into the customer-company interface through SSTs. Self-scanners at the grocery store, pay-at-the-pump card payment systems, and bank ATM machines are all examples. However, since this study is focused on retail employee perceptions, SSTs and their impact are not directly considered.

Assortment

Assortment has been studied from varying perspectives and often includes factors that go beyond the mere product choice in stores. For instance, Baker et al. (2002) considered store layout and design (e.g. the ability to find merchandise quickly) as one key element. In their study, design “cues” were shown to be more influential and stronger than either store employees or music in a retail setting. Yet, getting the right product to the right place at the right time for the right customer remains one of the biggest challenges retailers face (see Mantrala et al., 2009, p. 78, for a snapshot of historical product assortment planning (PAP) literature). Simply put, retailers must determine what to stock, and then create means by which to maintain a predetermined number of SKUs (stock keeping units) on hand (Broniarczyk, Hoyer, & McAlister, 1998). This issue involves tradeoffs and a balancing of total inventory dollars, fixed floor space, and a retail philosophy of “broad versus deep” selection by category (Mantrala et al., 2009). A location offering a broad selection is often referred to as a “category killer,” which connotes a retailer that offers a huge assortment within specific product categories (Huffman & Kahn, 1998). “Big Box” retailers such as Wal-Mart, The Home Depot, Barnes and Noble, and Toys R Us fit nicely under the label of “category killer.”

To aid with the logistics of PAP, numerous commercial solutions are available and have been widely used for decades by most multi-store retailers (Grewal et al., 2009). Grocery retailers were some of the first to adopt sophisticated inventory control and planning systems and a great deal of research in this area involves grocery stores. Broniarczyk et al. (1998) reported that while grocery retailers have been hesitant to reduce SKUs by category for fear of losing shoppers, their results suggest that “[...] grocers can make moderate reductions to the number of items offered without negatively affecting assortment perceptions” (p. 176). My own data suggest that other nuances might exist (at least as perceived by retail employees) beyond the linear idea of how the reduction in assortment in SKUs impacts customer-company interactions.

As means of example, on my last trip to the grocery store I noticed an interesting sign at the checkout counter stating: “To keep our prices low, we use electronic inventory control systems.” As noted in my data, controlling total inventory dollars as well as preventing SKU-by-SKU out-of-stocks was mentioned by the majority of participants as a common issue. Through the lens of my data, what did this sign imply? This question remained with me throughout my research as I worked to understand how high-tech/low-touch systems (e.g. scanning technology for inventory, min/max replenishment systems, customer self-checkout systems, and centralized service desks for product/service exchanges and returns) and conversely, low-tech/high-touch systems (e.g. hand-written sales orders and invoices, daily dead counts and manual inventory systems, and manual product/service exchanges and returns) are perceived by retail employees to impact the interactions between customers and the company.

Channel Issues

Multiple channel strategies within retailing typically consist of traditional brick-and mortar retail outlets, direct mail solicitation such as catalogs, sales forces, telephony, e-commerce, and m-commerce initiatives all designed to target the same customer (Neslin et al., 2006; Payne & Frow, 2004; Wallace, Giese, & Johnson, 2004). Retailers use multiple channel strategies for a variety of reasons. Common reasons cited in the literature include: to provide consumer choice (e.g. Neslin et al., 2006; Payne & Frow, 2004), to respond to competitor pressure (e.g. Grewal, Comer, & Mehta, 2001), to minimize transaction costs (e.g. Payne & Frow, 2005), and to expand market coverage beyond the physical footprint of brick and mortar locations (e.g. Sousa & Voss, 2006).

The overall objective of multichannel integration is to provide a significantly enhanced customer experience that results in higher customer satisfaction, and increased sales, profits, and share of wallet. Ideally, this should be accompanied by a lower cost to serve, through alternative channels, lower in the value chain, e.g., from direct sales force to desk-based account management or a shift from desk-based account management to the adoption or increase in the use of electronic solutions. (Payne and Frow, 2004, p. 534)

This objective as framed by Payne and Frow speaks to an important provision in designing CEM strategies: improved customer experience must be achieved at an affordable cost, implying that certain customers may hold better potential for the company than others. For instance, some customer groups may be willing to pay for extra service that others may not.

Multiple channel strategies can take many forms with a common distinction made between *channel mix* and *channel integration* (Friedman & Furey, 2003). Channel mix refers to channels that operate independently as stand-alone business units. Conversely, channel integration refers to an interconnected and synergistic combination of channel

functions (Görsch, 2000) and is the channel form explored in this research due to its direct connection to understanding the customer-company interactions occurring across channels for the same company such as with the concentration site BR. Emergent in this research were two direct effects of multiple channel strategies, (1) access to a previously untapped customer group, and (2) an increased number of shopping options for consumers, typically resulting in lower prices due to greater competitive pressure (Wallace et al., 2004).

Providing customers more choice through multiple channels is linked to higher levels of customer satisfaction and loyalty (Wallace et al., 2004). However, the validity of this linkage is in question considering that “[...] in today’s multi-channel environment a customer’s experiences in one channel (e.g. a store) may be affected by experiences in other channels (e.g. the Internet)” (Verhoef et al., 2009, p. 33). The potential that a service failure in one channel may negatively impact future interactions in other channels has led to interesting research results. Wallace et al. (2004) asserted that “dissatisfaction does not appear to result from cross-channel failures related to the complexity inherent in multiple channel strategies” (p. 259); rather the dissatisfaction results from a retailer’s failure to meet customers’ expectations. In line with both S-D logic and CEM, the following citation adds credence to the assertion made by Wallace et al. “Because of the importance of a highly positive customer experience, the channel strategy should seek to ensure such an experience occurs both within channels and across channels” (Payne & Frow, 2004, p. 532). Failure to do so may result in past customer experiences that negatively impact future interactions.

Past Customer Experience(s)

Past customer experiences are the result of more than just “[...] making, enabling, and keeping promises” (Bitner, 1995, p. 246). Customer perceptions regarding their experiences are a result of all the points of contact a customer has with a company as well as other environmental factors such as word-of-mouth communication, company communications, and contact with the company and/or its competitors (Boulding, Kalra, Staelin, & Zeithaml, 1993). Consequently, several studies have taken aim at conceptualizing how a customer’s past experience with a company might influence their current or future interactions. Boulding et al. (1993) argued that current perceptions of service quality are a blend of what customers believe *will* happen, their expectation of what *should* happen, and their perception of what *actually* happened during the service encounter.

Over time, a customer may interact with a company once or many times. My research considers all types of interactions, including those that occur once and those that occur repeatedly with a company, whether or not the same retail employee was involved at every interaction. Based on a customer’s previous encounters with the company, Hess Shankar, & Klein (2007) argued that a customer will make an assessment of how widespread the service failures are likely to be in the company overall. If a customer has had good previous experiences, they are more likely to attribute subsequent poor service to the specific retail employee rather than the company as a whole. While it is tempting to simply state that training must be in place to ensure no service failures, recent work in the area of conflict management assumes that conflict is always present and that it helps to define the relationship (Hagel & Brown, 2005). However, conflict must be “managed in a

manner that does not disrupt the ability of the members to work together and maintain a beneficial relationship from each member's perspective" (Koza & Dant, 2007, p. 291).

When service encounters fail, companies implement various *service recovery* tactics. This is a focal theme that emerged from the data in this study. However, research on this topic within a retail context is fairly limited (Bolton et al., 2007). "The lack of an overarching theoretical and methodological approach to recovery research has left the field with conflicting findings and no systematic resolution" (Ringberg et al., 2007, p. 195). While Bendapudi and Berry (1997) argue that a utilitarian rationale frames the customer-company interaction; Ringberg et al. (2007) posited that relational and oppositional models are also at play thereby providing a cultural models approach to service recovery that is intrinsically linked to relationship and services marketing. A cultural models approach as applied to service recovery suggests that:

[B]reaches of less importance allow for superficial or even scripted intervention related to specific situational cues, breaches with high self-relevance require adaptive responses that match consumer recovery (identity-related) cultural models. (Ringberg et al., 2007, p. 209)

For example, suppose you were in a video store to rent a movie to watch that evening with friends. If the retail employee inadvertently suggested a movie that was not in stock, you would likely use a superficial cultural model and simply ask for another recommendation. However, once at your friends' house, had the retail employee inadvertently put the wrong DVD disc in the case, (requiring a return trip to the video store) the situation would likely turn self-relevant because it interferes with personal goal achievement (e.g. looking "cool" by renting the latest movie thriller instead of finding "Benji" tucked inside the video case). Understanding what cultural model is at play could be very helpful in effective service recovery programs.

CEM Related to This Study

The CEM research stream is integral to this study because a first good experience is a key ingredient for a good relationship over time. Likewise, CEM and CRM fit together “hand-in-glove” and are both necessary perspectives to blend for a holistic perspective on the interaction(s) between customer and company. However, customer experience management differs from customer relationship management by focusing more on the *current* experience of the customer, rather than the recorded history of the customer (Verhoef et al., 2009, p. 38). I will explore the nature of the “recorded history” as it relates to CRM in the next section.

Customer Relationship Management

My initial perspective, formed during my own previous CRM research work, considered CRM as a strategic approach (rather than purely a technology or systems approach). This strategic CRM perspective is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. Uniting the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders, CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them. But, to make CRM work “requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications” (Payne & Frow, 2005, p. 168).

The strategic perspective of CRM as a process of acquiring, retaining, and partnering with customers is well established in the marketing literature (Frow & Payne, 2007; Parvatiyar & Sheth, 2001; Payne & Frow, 2005; Reinartz, Krafft, & Hoyer 2004; Verhoef & Langerak, 2002). In essence, CRM initiatives like S-D logic strive to deliver dual creation of value for the firm and the customer, and are reliant on the notion that CRM activities should enhance company performance (Boulding et al., 2005; Osarenkhoe, 2006; Parvatiyar & Sheth, 2001). With a dual creation approach, enhancing the relationship “is not so much about advertising and conventional brand-related activities, but rather about building processes to support the customer experience” (Frow & Payne, 2007, p. 91).

CRM is rooted within the domain of relationship marketing (RM), and the terms RM and CRM are often used interchangeably (Parvatiyar & Sheth, 2001). However, Ryals and Payne (2001) suggested that relationship marketing centers on the relationships between multiple stakeholders, while the concept of CRM focuses primarily on the customer. While these two concepts are similar, there are nuances in perspective that are important to consider.

RM is reliant on the consideration of all stakeholders’ perspectives when designing, developing, and implementing strategic initiatives. With this multi-perspective ideal in mind, RM can be viewed as a paradigm shift for marketers who desire to move beyond a transactional approach toward more of a relational one (Grönoos, 1994; Gummesson, 1994). For the purposes of this inquiry, I adopt the definition of RM as “the concerns of attracting, developing, and retaining customer relations” (Berry & Parasuraman, 1991, p. 3).

In 2004, The American Marketing Association (AMA) changed its definition of marketing to “Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer *relationships* in ways that benefit the organization and its stakeholders” (AMA, 2008; emphasis added). Since that time, the concept of RM has become accepted as a more modern view of marketing (Harker & Egan, 2006). Contemporary marketing researchers proclaim that customers can no longer be viewed as being in endless supply and passive in regard to decision making – no longer can we take a “one size fits all” approach to the simple manipulation of McCarthy’s (1960) 4Ps: Product, Price, Place and Promotion, as has been the case for decades using a transactional approach to marketing.

While it appears that the definition of CRM is evolving and may be considered from multiple perspectives (Payne & Frow, 2005), for the purposes of this study, I view CRM as the guiding corporate *strategy* for enhancing customer-company relationships. To add clarity, I adopt the definition provided by Parvatiyar and Sheth:

Customer relationship management is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value. (2001, p. 5)

At the core of CRM is the relationship between the firm and customer. This relationship, by definition, exists for a reason and requires reciprocal exchange and benefits to all participants. As a process phenomenon, the relationship will evolve and change over time because of the interactions occurring *between* participants (Czepiel, 1990; Hinde, 1979). It is these interactions between company and customer where value is created and delivered over time as the relationship with the customer develops

(Grönroos, 1997). The creation of value (or value co-creation between company and customer) that is core to CRM “[...] requires an ability to engage ‘the extended enterprise’ by managing *across* and *within* customer and supplier value creation processes” (Payne, Storbacka, & Frow, 2008, p. 93, emphasis in original).

Chasing value co-creation has become big business. The Gartner Group estimated that over \$8 billion dollars was spent on CRM software alone in 2007 with steady growth expected (Barker, 2007). Forrester Research estimates that by 2010, over \$11 billion dollars will be spent annually on CRM systems with the rate of growth expected to increase significantly. Forrester also reports that CRM systems are now a critical necessity for enterprise-wide competitive advantage (Forrester Research, 2008), and in addition to spending on CRM software, Gartner expects that with consultancy fees, personnel, and training costs included, CRM spending could exceed \$50 billion in a few years time (Barker, 2007).

Yet this spending does not always deliver value. A consistent finding is that many CRM initiatives have failed to deliver expected results. Commonly cited reasons for failure fall into one of three broad categories: (1) people issues, (2) process issues, and (3) technology issues (Bull, 2003; Chen & Popovich, 2003; Lin & Huang, 2007; Meyer & Kolbe, 2005; Osarenkhoe, 2006; Payne & Frow, 2005; Raman et al., 2006; Zablah et al., 2004). Each of these areas will be explored in greater depth below.

People Issues

Within the context of this research, retail employees have a crucial role to play in supporting the various CEM and CRM initiatives of a company and “[a]n organization cannot develop and operate appropriate customer-focused systems and processes without

motivated and trained employees” (Payne & Frow, 2006, p. 156). From the literature, a lack of recognition for how much effect people can have on system success is a common factor of CRM failure (Zablah et al., 2004). The impact of people on CRM initiatives is often the result of resistance, lack of understanding, or poor internal communication. Gummesson stated “[...] it has been observed how relationship marketing principles, transformed into customer relationship management software (eCRM), partially get lost by the neglect of human aspects (hCRM)” (2004, p. 21). Additional research considers the use of incentives and training as key factors for combating resistance from those employees who will be users of the CRM system or tool (Chen & Chen, 2004; Fjermestad & Romano, 2003).

Effective senior leadership and involvement is also identified as a critical success factor for CRM implementation. Similarly, in a study by Chen and Chen (2004), the researchers identify the need for both initial and ongoing management leadership, support, and organizational commitment. This unwavering focus is necessary to ensure corporate alignment of the CRM initiatives throughout all levels of the organization. Furthermore, Bentum and Stone (2005) supported the positive role of effective leadership and highlight the need to align people and subcultures. Findings from this study refute the common claims by software vendors that there is a single path to CRM success. Instead, the authors suggested that there is “no single CRM culture that exists”, but that a “communal and open corporate culture of communication” (p. 52) yields the best results.

Considering how often people issues arise, it is surprising that so few studies have considered the input of organizational players beyond management in attempting to address the leadership and communication gap. Interestingly, in studies reliant on the

views of expert practitioners (e.g. vendors and consultants), failure is more often attributed to people issues such as effective leadership, while studies reliant on the views of managers attribute failure more often to technology issues (Adamson, Jones, & Tapp, 2005; Bartikowski, 2006; Bartoli & Hermel, 2004; Chen & Popovich, 2003; Crosby & Johnson, 2001; Hansotia, 2002; Jenkinson, 2006; Light, 2003; Meyer & Kolbe, 2005; O'Reilly & Paper, 2009a; Osarenkhoe, 2006; Rapp, Rapp, & Schillewaert, 2008; Starkey & Woodcock, 2002; Szmigin, Canning, & Reppel, 2005; Zablah et al., 2004).

Bearing in mind that both managers and external players such as vendors and consultants may have more to gain (or lose) financially from CRM initiative implementation than do retail employees; it seems reasonable that the views of retail employees regarding customer-company interactions may be more neutral and therefore, potentially more valuable and less biased. O'Reilly and Paper (2009a) argued that vendors may distort the balance between online and offline initiatives while management may take a more conservative stance and over-reliant position on "traditional" offline approaches. This finding supports the decision to focus on retail employees during the data collection process and it also supports the idea that their input is both valuable and meaningful.

Process Issues

Process issues are the most commonly cited reasons for CRM initiatives failure, but are also the most under-researched, perhaps due to the abstract and complex nature of the process phenomenon:

[P]rocess view accentuates the need to view the relationship between the provider and the customer as a longitudinal, dynamic, interactive set of experiences and activities performed by the provider and the customer, with a context, using tools

and practices that are partly overt and deliberate, and partly based on routine and unconscious behavior. (Payne et al., 2008, p. 85)

However, a few agreed-upon notions regarding process do emerge. First, strategic and thoughtful planning is critical for CRM success. Without a sound business strategy that links directly to the expected outcomes of CRM, CRM initiatives are unlikely to succeed (Fjermestad & Romano, 2003; Lin & Huang, 2007; O'Reilly & Paper, 2009b, 2009c). Strategic elements such as customer-related benefits, the consolidation of customer information, and improved response times are all mentioned examples that must be carefully planned and designed in order to be realized (Lin & Huang, 2007).

Second, relationships are a process phenomenon, therefore "[...] organizations require a long-term view of customer relationships, which does not fit well with the short-term financial goals that tend to drive Western capital markets" (Payne et al., 2008, p. 93). Likewise, it has been argued that "any inquiry into the CRM phenomenon when it is conceptualized as a process should consider elements of change, relationships and causality, and thus assumptions about the role of time" (Plakoyiannaki & Saren, 2006). Both of these comments imply that without the consideration of time, perspectives will remain locked into a transactional mode with little value added to the temporal aspects of relationship building and value creation. Therefore, organizations must recognize the role that time and the cumulative impact of service encounters play in relationship building.

Third, organizations with an existing offline culture of excellent customer care as demonstrated by service consciousness, a customer-centric organization, and customer-focused strategies are more likely to find CRM success (Adamson et al., 2005; Adebajo, 2003; Blery & Michalakopoulos, 2006; Boulding et al., 2005; Chen & Chen, 2004; Frow & Payne, 2007; Hansotia, 2002; Lin & Huang, 2007; Payne & Frow, 2006; Smith, 2002;

Verhoef & Langerak, 2002; Yim et al., 2008). As has been noted in previous research, those companies with distinct contact with customers, who are in very competitive market spaces, and who value differentiation for products and services, are most ready for CRM (Bose, 2002; Kennedy, 2006). However, the underlying corporate philosophy toward customers must also be present. Without an underlying commitment to customer care, a simple move to more technology-enabled initiatives and CRM practices will not improve a firm's relationship with its customers (Chen & Chen, 2004; O'Reilly & Paper, 2009b; Raman et al., 2006).

While much of the CRM literature includes process and process-related issues, few studies go further than to suggest that the strategic alignment of processes and systems is of value. However, from my perspective (based on what has emerged from the data), the idea of customer-company interaction is actually a question of *process*: how (where and with whom interactions occur), when (phases of customer touch point interactions), and what (tools, personal interactions, etc.) are at the heart of this exploration with respect to improving customer-company interactions.

Technology Issues

Systems integration and the alignment between business and information technology (IT) is another critical factor prevalent in the literature. This factor is commonly defined as the matching of business processes with the IT architecture. The failure to achieve this match is one of the most cited reasons for CRM failure (Adebanjo, 2003; Bartoli & Hermel, 2004; Blery & Michalakopoulos, 2006; Bull, 2003; Chen & Chen, 2004; Cuthbertson & Bridson, 2006; Kennedy, 2006; Light, 2003; Lin & Huang, 2007; Meyer & Kolbe, 2005; Osarenkhoe, 2006; Rapp et al., 2008; Reinartz et al., 2004).

While it is intuitive that the system must match the processes, integration issues have broad-reaching impacts. For instance, consideration for where data resides, the number of systems required for integration, and system functionality are commonly overlooked (Chen & Chen, 2004; Fjermestad & Romano, 2003; Lin & Huang, 2007; Padmanabhan & Tuzhilin, 2003).

While tight system integration is identified as a critical success factor, a technology's ability to be flexible (Szmigin et al., 2005) is also needed. Such flexibility allows the system to adapt to customer data and trends, and ultimately to deliver the ability to personalize marketing information to customers. This is important because "No amount of technology can really improve the situation as long as companies are set up to market products rather than cultivate relationships" (Rust, Moorman, & Bhalla, 2010, p. 2).

The power of CRM tools lies in the application of data and knowledge. For instance, the power is not found in the simple collection or mining of data, but rather in the means and methods by which the data is analyzed and applied to improve the relationship with customers. Therefore, knowing what to collect, how to collect it, and subsequently understanding how to use data is critical. Having a clear focus on what data you need and how you will use it to optimize the lifetime value of a customer is where the power of CRM resides (Padmanabhan & Tuzhilin, 2003). This power is often created by a balance between human and computer interaction within CRM implementations (Chen, Chen, & Kazman, 2007; Crosby & Johnson, 2001; Flavian & Guinaliu, 2006; Frow & Payne, 2007; Kapoulas, Murphy, & Ellis, 2002; Kennedy, 2006; Kotorov, 2003; O'Reilly & Paper, 2010, 2009a, 2009b, 2009c; Pan & Lee, 2003; Pitta, Franzak, &

Fowler, 2006; Porter & Donthu, 2008; Vrechopoulos, Pramataris, Doukidis, & Lekatos, 2003; Wright, Stone, & Abbott, 2002; Yim et al., 2008). Yet these issues of power are often dismissed due to the ubiquitous nature of sophisticated technology. Gummesson (2004) posited that “technology is axiomatically hailed as good, even as ‘God.’ At least initially, technology is science- and producer-centric; it is rarely customer-centric” (p. 21). Clearly the implications of both benefits and costs must be equally weighed. Balancing customer needs for both human and computer interaction is a question of strategy and not simply a question of technology.

The Blend of the Literature Streams

As may be apparent throughout this review, S-D logic is a theoretical philosophy that encompasses all activities, strategies, and meanings of an organization. From this perspective, I consider S-D logic the “philosophical glue” that binds the constructs of CEM and CRM together to better represent the holistic customer experience that over time develops into a relationship with the company. Therefore, through the philosophical lens of S-D logic, the prevailing work on CEM and CRM better frame both the inquiry and emergent themes within this research project.

KEY FINDINGS

From the in-depth interviews, observations, and other research artifacts, key findings were identified that provide a practical guide to understanding customer-company interactions. The results of this study and its key findings regarding retail employee perceptions are presented as follows: (1) what customers like and dislike about customer-company interactions, (2) what companies want from positive customer-company interactions, (3) factors affecting customer-company interactions, (4) customer-company interaction service beliefs versus service in action, and finally, (5) the emergent theory of strategically constructed silos and their impact on customer service.

What Customers Like and Dislike about

Customer-Company Interactions

In the initial in-depth interviews, participants were asked to describe what they thought customers liked and disliked about customer-company interactions. For some employees, they found it very easy to list several characteristics that customers liked regarding the people, place, and products offered. For others, they seemed “stumped” to describe what customers liked, but found it easy to describe issues that were common sources of customer complaints. Regardless of where employees began (e.g. with the likes or dislikes of customers), employee perceptions grouped into three dominant categories that centered on the people, the place, and/or the product/service. Each of these categories is explored below.

The People: Access to Friendly, Knowledgeable Employees

Consistent with Beatty et al. (1996), smiling, immediately acknowledging customers, remembering customers' names, providing speedy and responsive help, being likeable and easy to deal with, possessing good communication skills and good product and/or service knowledge are mentioned by all participants as important aspects of facilitating a positive customer-company interaction. Positive customer-company interactions are described by employees as spending time with customers one-on-one instead of just pointing them to what they need and sending them on their way. "Friendly staff that can spend time with the customer to make recommendations," is how Dylan articulated this thought. As explained by Rebecca, "Customers don't want someone to pass out buggies like Wal-Mart, but somebody that can help...answer questions...customers are looking for someone that will listen to them, somebody that will care."

In line with these ideas, Matt shared a story about a nurse that was sitting in the customer waiting area of his tire store. When he approached the nurse, she explained that she was from a local hospital and was required to come to Matt's store and observe so she could "learn how to treat customers as individuals and not numbers." She went on to explain that this was required in order for her to qualify for continuing education credits. Matt believes these types of accolades are due to the training practices at the store that encourage employees to treat customers as "family." As the owner of the store, Matt explained his own personal philosophy that he tries to incorporate into training programs at the store, "You can get everything you want out of life, if you help enough other people get what they want."

Not surprisingly, many of the positive aspects, when not delivered, are the source of customer complaints. For instance, employee attitude issues, not being acknowledged, service delays, unresponsiveness, not being able to get questions answered, and not being listened to or appreciated are mentioned by participants as common sources of customer frustration. As described by Rebecca, “When the customer interacts with someone that doesn’t want to listen to them and just gives them a cookie-cutter solution, that really ticks them off.” Similarly, Wendy explained that customers get frustrated, “When people sound cold like they don’t care.” These examples imply how important the attitude and willingness of an employee is to solve problems for positive customer-company interactions. Similarly, while retail employees perceive that customers want access to friendly knowledgeable employees, they also want an inviting atmosphere that is convenient.

The Place: Inviting Atmosphere with Convenient Locations

The idea of the creating a good shopping environment is an issue mentioned by virtually all participants. Having an environment that is “fun and inviting” with a “good atmosphere to create a ‘Wow’ experience” surfaced consistently from participants. Yet the challenge to create such an environment is viewed as exponentially more difficult the larger the store becomes. As explained by Dan, “Dealing with big stores can feel impersonal.” Grant echoed this when he said, “As stores get bigger, service tends to get less personal.”

Whether the environment is in-store, over the phone, via the Internet, or in the customer’s home, a comfortable and inviting process for serving the customer is deemed critical by participants. For traditional brick-and-mortar retailers, this included low-

profile shelving in store that creates an open and light environment that is “not cave-like.” Additionally, convenient locations, store cleanliness, and clean merchandising are also important for positive customer-company interactions. For Matt, the inviting atmosphere and cleanliness of the tire store is crucial, but interestingly, he wants the customer to spend as little time as possible in his store. “People without their car, if they have to bring their car in, and it’s an unexpected thing, they feel naked. They are not empowered. They are stuck.” In this scenario, Matt believes that getting customers in and out of his shop quickly is critical for developing positive customer experiences. This idea highlights the role that time can play in creating positive customer-company interactions via speedy service and convenience for customers.

For customers choosing to interact over the phone, streamlined call center protocols that allow customers immediate access to knowledgeable employees who can deliver “localized service” are important. While companies cannot control what value or meaning customers attach to their communication, S-D logic implies that the communication itself is always customer-centric and focused on relationship development; implying a long-term prospect. Josh expressed it this way: “[...] if there was a process I could change it would be the absolute detachment of companies from their customers because of not having that personal touch, that personal service, or that personal thank you card – that is gone.” Josh appears to recognize the value of personal connections (relationship) and from this recognition springs the motivation to be of service to customers in both a direct and personal manner. With customers at the core of everything he considers and ultimately implements, Josh believes the relationship between his company and the customers he serves will be strengthened.

In contrast, Brian attributes company or store location size as a factor influencing the relationship between companies and their customers. As he explained, “It is just a chip on our shoulder that makes us dehumanize someone if they are representing big business.” This same sentiment is raised by others. “Customers just love Mom and Pop operations,” explained Josh. Implied in these statements is the importance of creating a personal experience for the customer that recognizes them as an individual rather than just a job. Likewise, while by definition a call center uses technology as the conduit between the company and customer, it is important to realize that “Technology has taken away some of the personable stuff,” as Wendy explained; therefore employees believe that companies should work to create call center protocols that highlight the importance of local and personalized service interactions.

Like call center interactions, for customers ordering online, website functionality, website ease-of-use, and understandable website booking procedures are important in the minds of retail employees. For instance, it should be easy for customers to book a cleaning job online since, “They fill in everything themselves, so when the technician gets to their home, you don’t want the price to be higher because they [the customer] didn’t estimate their square footage right,” explained Kim. While this can be difficult, it is important according to participants since they view the choice of multiple customer-company interaction channels as an important aspect of convenience for customers and competitive advantage for companies.

Finally, for a service or product delivered or performed in home, the service vehicle and technician replace the traditional “store.” For these company resources, vehicle and technician appearance are critically important. As John explained, “[It is

important that] the technician is honest and trustworthy and the customer gets what they paid for.” These aspects of professional service may be of more importance for in-home services since in these instances, the employee is on the customer’s “turf” and in their home. In addition to friendly knowledgeable employees who work within an inviting atmosphere, the product, assortment, and workmanship are believed by retail employees to be of critical importance to customers.

The Product/Service: Assortment, Pricing and Workmanship

Assortment, pricing, and the quality of the product and/or service are common themes from participants. For instance, Grant said, “People don’t just love stores for the store. They love it because they can go there and get what they want and get out.” Many participants expressed that their company should only promote and advertise products that they have in stock to avoid customer frustration. Similarly, most recognized the role that a good assortment of in-stock merchandise (or menu of services) plays in creating positive customer-company interactions. Sam expressed this well by saying, “The best customer service in the world can’t make up for a poor in-stock selection.” Grant is the only participant who highlighted the strength of this component of his company:

Our stores are not huge stores, but we have a large stocking inventory. We don’t have huge parking lots like Wal-Mart... our prices are not as low as Wal-Mart...But if you want Bayer aspirin, we have all the sizes and we have it all there.

Other participants clearly recognized the importance of assortment, but described it in terms of what they believed the company should “do better.” Interestingly, participants generally didn’t seem to connect their own personal actions to the consequences of

inventory levels and out-of-stocks. This idea will be explored in detail in a subsequent section regarding *service beliefs* versus *service in action*.

Pricing issues were not directly mentioned other than that they should be “fair.” None of the participants perceived their company’s pricing to be predatory or markedly unfair and none supported the notion of “being the lowest” in the market. However, pricing is mentioned as a common source of employee frustration and customer complaint. Due to the nature and importance of pricing, it too will be discussed in a later section, which includes other key elements affecting customer-company interactions.

Workmanship, quality, and “delivering on the promise” are viewed as critically important for positive customer-company interactions. For many participants, workmanship (or product quality) is considered to be the most important aspect. “As far as our workmanship, this is probably number one,” explained Josh. While participants are selling both products and intangible services, the quality (product) and workmanship (service) are highlighted by all participants.

What Companies Want from Customer-Company Interactions

From drug store manager to hairstylist and from carpet cleaner to home improvement retail store employee, all participants directly referred to the need to develop a relationship with customers as a common goal for customer-company interactions. While the participants are very diverse in nature and included managers and rank-and-file retail employees as well as both product sellers (e.g. pet supply and bookstore employees) and service technicians (e.g. carpet cleaner, hairstylist), customer-company interactions are referred to as the experience that would hopefully lead to a relationship.

For instance, Alex, a bank manager, said, “We have a whole process for the customer experience that we focus on to make sure that when the customer leaves they say, ‘Wow. That was my bank and I had a really good experience there.’” Rebecca talked about positive customer-company interactions in more detail and said, “Well, I think that the whole company culture should be centered on delivering an outstanding service experience...expressing concern, listening to the customer, being friendly, delivering the service in the way in which you have been trained...” While the specifics of the experience may have nuances for particular businesses, common agreement exists in the data regarding what companies want from positive customer-company interactions: (1) to develop relationships with customers, (2) to leverage relationships with customers, and (3) to extend relationships with customers.

Develop Relationships

Developing relationships with customers is commonly reported as the reason why positive customer-company interactions are of vital importance. Understanding that customers have a choice when it comes to most products and services, participants like Josh explained that, “We treat them like they are a friend and regular customers, and don’t just assume that they are going to stick with us.” For participants, developing a relationship with customers means more than a single one-off transaction; it means developing a good (longer term) relationship to help bring customers back again and again. “Ultimately, we all want customers to come back,” said Wendy.

Retail employees recognize that the sustainability of their companies is at the heart of this motivation for a relationship with customers. For instance, Marcy said, “We want repeat clients. Our whole business revolves on that.” Doing what it takes to bring

customers back rewards the customer (who experiences positive interactions), the merchant (who experiences added value from repeat business), and the retail employee (who contributes to the value chain experience through customer relationship-building activities). This symbiotic condition is the essence of co-creating value between customers and all company stakeholders. Matt explained this idea well when he said, “I want them [customers] to know that when they leave that we had their best interest at heart... that it isn’t the almighty dollar; it is relationships and families, and ultimately, then the profits come.” In the minds of retail employees with a mindset like Matt, without a positive experience, customers are not likely to come back; and if they do not come back, profitability is adversely affected.

Leverage Relationships

Once a relationship is established, employees are more likely (and able) to “cross sell” additional products and services to customers. Whether speaking with employees at banks, tire stores, or carpet cleaning service businesses, the ability to cross sell products and services to customers is how employees “leverage” customer relationships. Simply put, “We do focus on the cross sell...” explained Alex. Virtually all participants supported this notion. “We are trying to sell product, trying to get people to come back... we do upgrade [sell premium services] and try to add services on,” explained Marcy. However, participants also recognized that their ability to cross sell is directly affected by their ability to first form a relationship with customers. For instance, Josh said:

I don’t like to sell everything up front because I think it is too overwhelming and too pricey if you start there. But it is amazing that if you get done with part of the job and the customer feels comfortable with us, they are willing to buy the extra services...but you have to gain their trust first.

For some participants, while their actions are in line with a cross sell mentality, the notion of selling is not altogether desirable and many framed their actions as recommendations instead of selling. A good example of this is Brett saying, “We are not there to sell you anything. We are there to identify your needs and then recommend the solution... and that can lead into the cross selling on other items in the home.” Regardless of the semantics, employees view the relationship with customers as vital for effective cross selling and ultimately, for extending the relationship to include customer referrals.

Extend Relationships

Retail employees view the evolution of the relationship in linear terms: develop the relationship (repeat purchases) → leverage the relationship (cross sell) → and extend the relationship (referrals). These steps prove to be consistent across participants, venues, and products/services with customer referrals mentioned by several participants as the “Holy Grail” of retailing. When you consider the following comment, the value of referrals becomes a bit clearer. “Our best franchisees have high referral rates. These referrals generate the least expensive customer lead and are for a customer that the franchisee has a high probability of delighting...” explained Brian. This sheds light on the idea that a customer that is referred to a company is more likely to develop a relationship with that company, more likely to spend more money via cross selling by the employees, and more likely to refer other customers to the company. While a few leaps of logic may exist in this scenario, this assumptive thinking is consistent across participants. “The only real true happy loyal customers you get are those that come to you from referrals...” proclaimed Brett. The data suggests that employees are well-vested in

the belief that the evolution of the customer relationship is linear and that the strength of the relationship is measured by customer referral rates.

What Affects Relationships

While many of the ideas covered thus far are descriptive in nature, it was during these descriptive accounts that employees began to refer to issues of control (or the lack thereof) that they believe affect customer-company relationships. In an effort to delve deeper into this area, I asked employees to share what they could do to improve customer-company interactions. The employee insights shed light on their own role as well as the company processes and the supporting technology.

Issues of Control

The data suggests that retail employees consider certain aspects of their job to be frustrating. Most commonly, these aspects deal with situations or protocols in which employees have very little direct control. For instance, trying to handle customer issues when the retail employee feels s/he has no control over the advertising, pricing, service quality, scheduling, or job assignments creates a situation where the employee feels “caught in the middle” and results in feelings of isolation, resentment, or apathy. While employees are expected to maximize opportunities created by advertising, pricing, service quality, scheduling, or job assignments, they believe that they have little to no direct involvement in their creation and instead, end up just “cleaning up the mess” that results from these factors. While not always explicit in their use of language regarding control, retail employees are very clear that issues of control are a key component affecting relationships with customers. These control issues manifest consistently across

participants into three categories: (1) The service experience, (2) the product/service offering, and (3) service recovery.

The Service Experience

The service experience is described by employees as the interaction taking place over the phone, in-store, or in the home. These experiences are related to the actual shopping and purchase of a product, or in the case of in-home service, when the technician arrived to perform the service.

Staffing. Inadequate staffing levels are considered to be an obstacle to delivering effective customer experiences. For instance Alex said, “I would like to see a little more staffing just to give us a little more staff to be able to handle the busier times and to handle the customer service experience instead of worrying so much about hours.” For others, more staffing would help to alleviate feelings of being “overwhelmed.” Staffing levels are commonly described as “worse than ever” and employees feel “caught in the middle” since customer complaints about “not finding someone to help them” are one of the most common issues retail employees have to face when dealing with customers. Many participants reflected back to a time when staffing was greater. For instance Dylan said:

When I first started working for the company, they used to say that you couldn’t run a store on anything less than 800 hours in payroll. Right now, we average between 450 and 500 hours – so it is about half of what it used to be... what does that mean for customer service?

As part of the staffing conundrum, many retail employees talk about the advantage of being able to take more time with customers when there isn’t a line or staffing is at the “right” level. They believe that more time with customers helps to build the relationship. However, is it fair to assume that all customers want to form a

relationship with the company? By protracting the transaction (telling customers about other products, etc.) the company's interests are served since it allows retail employees to "pitch" other products and services that might be of interest... however, it won't benefit all customers, since not all customers want to have a relationship with the company (Noble & Phillips, 2004) and may subsequently deteriorate existing relationships or inhibit new relationships from forming.

Pressure for cross selling. As mentioned, employees are motivated (via goals, incentives, or bonuses) to build relationships with customers. This is typically framed by the company as being "sensitive to customer needs or making customers feel welcome." Yet, the purpose of the relationship as measured by the company is "to sell something" rather than to deliver good service for service's sake. Therefore, employees feel at times "abused" or "used." To paraphrase one employee, it sometimes feels like employees are being asked to give their holiday card list to the company so the company can sell to their friends (referrals). While this is an extreme view, the tone of conversations with participants reflected this notion with a typical idea being that "management doesn't really understand" that if employees push too hard, the relationship may be damaged.

Tied to this idea is the need retail employees feel to find balance and not just "push, push, push; sell, sell, sell"... employees report wanting to sell, but don't want sales to come at the expense of their relationships with customers. "I think there needs to be a balance between the cross sell and the service and we have a lot of pressure for that cross selling...constantly it is a push and pull," explained Alex. Driving the cross selling activities of employees are goals. Goals are commonly discussed but often are mentioned by three standards: (1) what is good for the company, (2) how retail employees are

measured against the goal, and (3) what is good for the customer. For instance, when discussing the goals a bank teller is measured against, Alex said, “I mean if it comes down to meeting our goals versus doing what is right, we are going to do what is right.” While this seems noble, will employee actions really follow this philosophy? Will employees willingly forgo financial payment (bonuses) and potentially mar their performance records by not hitting their performance goals to “do the right thing?” The answers to these questions directly impact the development of solid, long-term customer relationships.

Scripted interactions. Retail employees are simultaneously encouraged to “build relationships” with customers and to “follow protocol” that involves such things as: greeting customers within 3 seconds, or opening a new register if a customer line of 3 or more customers forms. Such protocols are designed to speed up the process for customers, and hopefully build good relationships at the same time. These “scripted interactions” are typically viewed by employees as either positive or negative with few expressing neutral feelings. From the positive perspective, having more scripted (automated) interaction protocols helps to speed up work and minimize the number of manual decisions that are made on each transaction, and to normalize, standardize, and therefore improve service delivery.

On the negative side, scripted interactions are often viewed as “inhibiting” the interactions between retail employee and customer due to the lack of flexibility and the restriction on the retail employee’s ability to respond to specific and individual customer needs. John said it best, “The first step is to listen. Reps often just get hung up with scripted interactions and don’t really listen to what the customer is asking for... it takes

effort and it takes very quick thinking to avoid that.” Being locked into a certain “work flow” for booking jobs is seen by employees as negative. Often customers just want to “book” but the agent is forced to follow a protocol reliant on the sequence of screens to get customer information first. These types of system designs are often blamed on Marketing and employees feel that these systems did not help them interact positively with customers.

Training and product knowledge. When discussing the service experience and their ability to interact with customers, it is interesting to note that employees talked in terms of what *could* benefit them, rather than what *does* benefit them. For instance, Donna is keenly focused on training and the further development of her product knowledge:

It is really good when an retail employee knows how to fix it or has done it, they [customers] really like it when you take them to a product they need and talk to them about it and what they are buying and explain to them the things about the product. These are things that impress the customer... when you actually know about a product and can tell them about a product.

However, as a cashier she indicated that she is not given the same opportunities as retail employees who work “on the floor.” Her use of language suggests that cashiers are considered to have lower status than other retail employees and she guessed this to be true since “they have the highest turnover and are paid the lowest.” Considering that cashiers are typically located at the front of the store, they are likely the first employees to interact with customers. In light of this, it is interesting to consider that cashiers may have been in their jobs for the shortest time (high turnover), may be paid the least, and have less training than other retail employees. This same trend appeared in all of the

traditional brick-and-mortar retail locations included in this study, with the exception of the tire store, where the salespeople also act as cashiers.

The idea that training and product knowledge could help create a more positive customer-company interaction is shared across participants. Yet, very few expressed confidence regarding their current product knowledge. “You still need to know so many different things. When a customer comes in, they expect to get answers...there is so much expected from employees,” voiced Dan. For Olive, this lack of knowledge created a great challenge when she began and she shared that she was “so afraid that customers would ask her a question that she couldn’t answer.” Olive also admitted that she has had customers “complain about employees that don’t know anything.”

Technology. Like other participants, Wendy feels that technology both helps and hurts customer-company interactions: it helps from the standpoint of being able to share information to resolves issues quickly, and it also hurts from the perspective that it makes the interactions less personal. She goes on to say, “So you lose the people part of it and even with all the systems and computers and booking a carpet cleaning job online, eventually you need a voice... you still need people.” This echoed a surprising undercurrent from retail employees: technology aversion. Marcy reflected, “... like the whole texting thing is so huge, but I hate it. I’ll do it out of necessity because that is what everybody does. Nobody wants to talk anymore; it drives me crazy.” Josh also feels strongly regarding technology in the retail setting and explained, “I think maybe it is a process that could be changed... away from the mechanization or the computerization of the business.” He went on to say, “The more human beings we bring into the company, the more successful we are.” Resistance to technology may be simply that retail

employees feel threatened by it and its role in job eliminations or staff reductions.

Regardless, most participants expressed a similar idea to Dan's, "Online booking is an impersonal process and is frustrating for customers." John supported this notion when he talked about the likelihood of miscommunication with customers, "Online is the worst, over the phone is probably better, and face-to-face is the best."

From the interviews, the notion emerged that as retail operations grow, the focus shifts from enhancing high-touch customer-company interactions to streamlining low-touch, high-tech transactions. Many participants insinuated that their company is more concerned with streamlining the transaction through technology systems such as voice operated toll free numbers, online ordering, and web-enabled customer feedback surveys than the company is with improving customer-company interactions that occur face-to-face. Many chalked this up to profit motives and this idea is captured well by Josh when he said, "It seems to me that they [company] are going to do anything and everything they can to get more profits. Period."

During further questioning of participants, it is clear that the idea of online systems is not inherently negative, but that the current systems in place are not well designed. For most participants, it is the system design that created the biggest customer-company interaction challenges. Dan believes that as companies get bigger, their service and the means by which they communicate with customers gets more impersonal. Dan says that most of his customers will book either online or over the phone, "Which is very impersonal." As an employee, Dan too finds it difficult to navigate the 1-800 phone system of his company, "To call the toll free number it's a maze..." In the words of Kim, "This would be impossible but... if we could actually book people and schedule it; not

just enter it, then they [customer] wouldn't have to get a separate phone call to see when they can schedule.” Stronger sentiment for this issue is voiced by Brian when he said, “They put the customer lead in Siebel (store's lead management system) and then it goes off into Siebel hell and ends up with us about 48 hours later... so our close rate is much, much, much worse.”

The constraints of poorly designed and outdated systems that are not integrated seemed core and are consistent across participants. In the words of Olive, “I think this system is really outdated... I know they keep talking about updating it because it is kind of hard to manage and move around on because it is so old ...” James echoed this same thought:

A lot of our systems are not aligned together...we'll have to enter in our ID and code six different times...if I want to do my email, I enter in my password and code, if I want to get into the store systems, do it again. If I want to go into the store portal, I'll enter it again. And they are supposed to be working on rolling all those together. These mobile carts right here, this is what we order with...Same thing, they are not integrated.

These comments indicate both a reluctance of employees to fully embrace the technology systems of their companies, and also point to a lack of effective system design, development, and implementation in retail settings.

The Product/Service Offering

Advertising, pricing and inventory stocking levels are viewed as key issues consistently being faced by retail employees. Participants discussed advertising from the standpoint of employees having little control over what products are featured, what prices are promoted, and whether inventory is ordered to properly support the advertising. Brian talked about the advertising this way, “It was the same process where we send them [corporate] what we think the ad should look like, and they completely screw it up... no

offer, no call to action.” Employees feel as if they are dealing with problems they did not create. “I think in some ways, we have our hands tied behind our backs a little bit because we don’t set pricing, we just deal with the issues,” said Beth.

Connected to the pressure to cross sell is the idea that employees are held to certain performance goals but are expected to sell some products or services that are not competitive. “We are not giving the best price either, so we are almost competing with ourselves... we lose a lot of jobs,” complained Dan. Alex explained this in detail when he said, “We should be a little more liberal with the lending... our auto loan rates are at the higher end so it is really hard for us to hit our loan goals when our rates are higher than typical.” Beth voiced this same concern, “We try to compete with price, but we are usually a little bit higher. Sometimes we are double the competition.”

Consistent across participants is the importance of having a good assortment and stocking inventory of the items customers want. While a seemingly simple idea, Grant explains, “The big bugaboo in retail is that there are always new products coming out all the time. The store doesn’t get any bigger, so where do you put this stuff?” Grant noted that larger companies tend to focus more on inventory in terms of total dollar inventories and turnover rates. These two metrics tend to be easily measured by inventory systems and involve more of a total inventory rather than SKU-by-SKU analysis. Relying on total dollar and inventory rates as sole performance measures can result in a total inventory value that meets company standards yet still contains numerous SKU-by-SKU out-of-stocks.

Considering Grant’s idea, it is interesting to reflect upon the reliance of retailers on their inventory systems. It is clear from the participant interviews that these systems

are the key to inventory, stocking, and reordering with few employees “allowed” to order or provide stocking input. Yet it is typically the cashier, the least-paid and least-trained employee, who is responsible for correctly ringing up items, handling customer returns or product exchanges. Accuracy at the cash register provides the core data that the systems use to determine stocking levels and replenishment. Solely relying on perpetual inventory (dollar and SKU) reports based on the entry by these junior retail employees is unlikely to result in ordering that will satisfy customer needs or enable the organization to react well to emerging trends. Reliance on such metrics also explains why out-of-stocks are a common customer complaint mentioned by participants.

Service Recovery

Service recovery, or the ways in which customer-company conflict is handled, creates challenges for retail employees across venues. Often the process for service recovery inadvertently places certain employees in the middle between the company and customer interests because they work at the service desk or handle customer issues over the phone or via the Internet. As Donna explained, “I used to work in special services at the service desk... I love that... you know, all the problems and whatever came to that desk.” However, by creating central foci for service recovery, only select employees feel empowered to solve issues. For all others, it can feel like a no win scenario. John explained this idea, “We deal with that all the time. The store says this and the customer says that...So we get left holding the bag.” Adding to the complexity, employees have varied views and orientations as to how customer issues should be resolved. Although Donna enjoyed working at the service desk, she too felt the acute pressure to conform to shifting demands by management:

Someone once explained to me that retail is kind of like a pendulum. Like sometimes, they are really strict about procedures and policies and then the next year they are super lax and want to make sure customers are really happy... So I think that there is always the need to find a balance. We are definitely in the customer service phase right now. When I first started - it was so specific about markdowns, rules, and stuff like that. And you know it didn't matter if the customer got frustrated, well it did, but the rule went first. Now it's like we don't care – make 'em happy, make 'em happy, make 'em happy. I feel like it is too much since I work in returns. Does that mean I have to take back *everything*?

In this scenario we can glimpse how Donna sees herself caught in the middle between customer issues and management policies. Considering that Donna works at a service desk in a brick-and-mortar store, she may find it even harder since she is dealing with customers face-to-face. The data revealed a difference between those employees dealing with customers face-to-face and those interacting over the phone or via the Internet.

Employees that deal with customers face-to-face are more “relationship focused” than the employees dealing with customers over the phone or via the Internet. This contrast is very clear when one considers the words of James, who deals with customers face-to-face, compared with Wendy, who typically deals with customers over the phone. James said, “It is really about keeping customers happy; our district manager said, ‘We don’t have a return policy. Just take it.’” In contrast, Wendy’s perception is very different. She said, “The store just throws money at it [customer issues], but they don’t really make the customer feel good.” The philosophical orientation of the employees involved in service recovery seems related to whether they believe that problems are being resolved, or simply “swept under the rug.”

In addition, participants responsible for service recovery efforts feel held to standard procedures with no control over policy. Wendy explained:

I wish those of us on the phone with the customers had a little bit of something we could do...something we could offer because that is the hardest part when you are on the phone handling the customer complaint... we can't really do anything.

Regardless of an employee's service recovery orientation, most expressed frustration that they had no "real control" and that their managers "didn't understand." Beth explained this well when she said, "I don't think they [management] understand...if they could see on a daily basis what we have to deal with at the customer level...I think they would be surprised."

Analysis of the issues described by employees as factors affecting their relationships with customers formed a hierarchy of needs that retail employees believe will result in better service, positive customer-company interactions, and happier employees. This hierarchy, culled from the data, is shown in Figure 7. The components of the hierarchy are the result of one interesting question: What would you change if you were the President of the company? From the responses, issues are categorized for likeness and frequency across participants. While many retail employees described the need for a "service attitude," it is clear that they believe their attitude (good or bad) is the result of failures by management to provide the environment, knowledge, tools, and authority needed in their jobs.

As mentioned previously, staffing is the most mentioned "gap" cited by participants across all business types. Without higher staffing levels, employees perceive that positive customer-company interactions cannot develop, regardless of other hierarchical components that may be in place such as training. Secondly, employees believe that companies should ensure that all employees are provided with training, knowledge, and tools (technology) to perform their jobs. This is an interesting finding

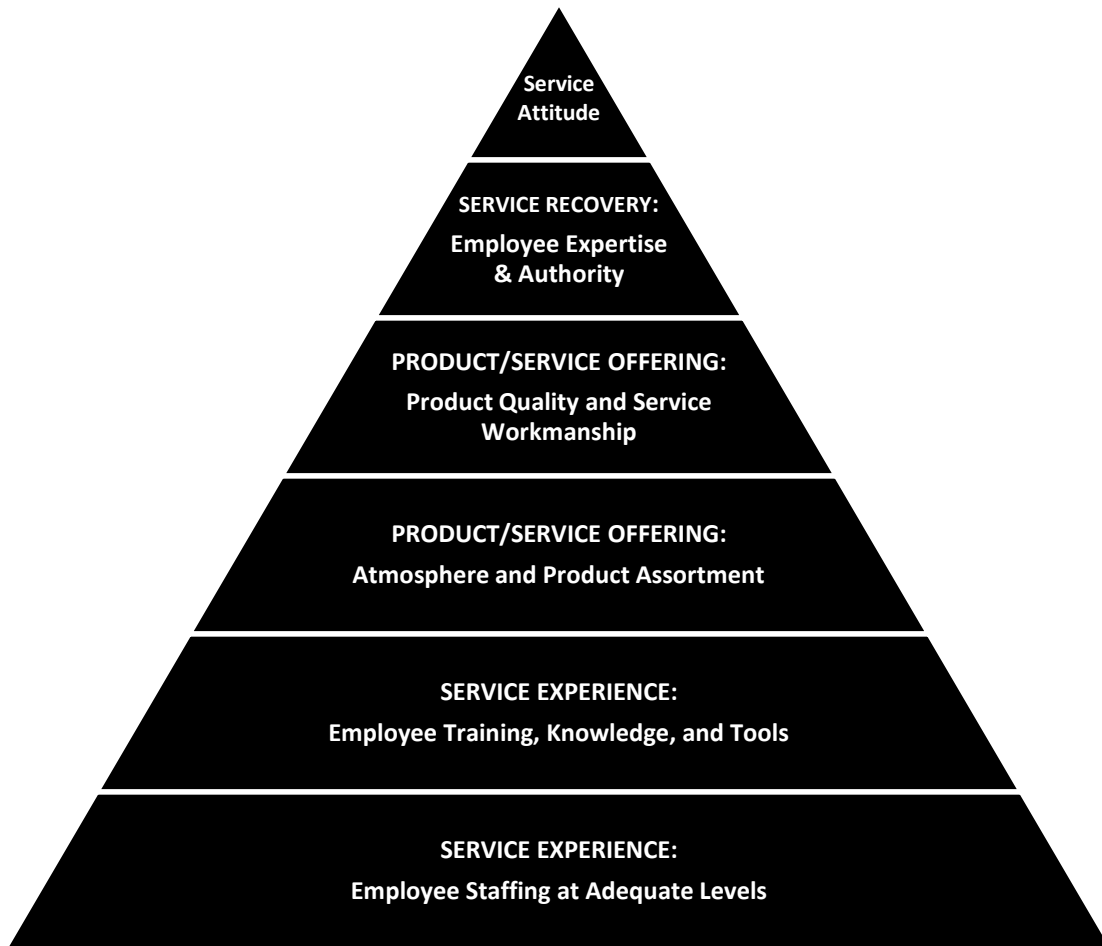


Figure 7. Hierarchy of needs for positive customer-company interactions.

since many participants stated that their companies prioritize these items in the reverse order with management believing that they can staff the stores with fewer employees if they train them better. Also adding to the intrigue of this issue is that both retail managers and rank-and-file retail employees agree that customers' most common complaint is "not finding someone to help them" followed by "finding a knowledgeable employee to help." These common and agreed upon, customer complaints seem to add credence to the position of retail employees regarding the staffing and training of employees.

Once staffing levels are optimized and employees are provided the proper training, knowledge, and tools; employees are keenly focused on the atmosphere, assortment, stocking levels, and product quality and/or workmanship of the product and/or service offering(s) as crucial for relationship development. This hierarchical component is viewed by employees in an interesting way. As they see it, if the company doesn't have enough properly trained employees "on the floor"; good workmanship is unlikely to be delivered to customers. However, with good coverage of properly trained employees, better information is likely to be supplied to management to help improve product selection, assortment, and quality. The last components on the hierarchy relate to the degree that employees are empowered to handle customer issues and inquiries. Without the ability to fully help customers, employees believe that customers and employees become frustrated which directly impacts their service attitude.

Not surprisingly, retail employees consistently indicate that all of the hierarchy's components are critical; i.e., the absence of any component would cause service failures or customer-company interaction breakdowns. While this hierarchy is based on the perceptions of just one side of the dyad (employees), it is interesting to note that many of the companies in this study seemed to prioritize the hierarchical components differently. Most notable is the idea expressed by managers of hiring "employees with the right attitude" which they believe results in the other components "taking care of themselves."

Service Beliefs versus Service in Action

During this project, I consistently heard positive stories of customer service, but my observations of retail employees and customers did not always corroborate these stories. One explanation for these stories may be an attempt by employees to add

meaning to their actions, justify their customer-company interaction behaviors, or cast management as the foe. Regardless, retail employees in this study seem unwilling or unable to differentiate between their espoused service beliefs regarding customer-company interactions and their actual service behaviors. Meaning, they are very convincing when describing how important customers are to them and to the company, but their actions are often inconsistent with these “service beliefs.” As example, Olive expressed frustration that other employees are not as attentive to customers as she considers herself to be. “If everyone was doing what they were supposed to do and helping customers, I think that would help a lot with any customer complaints,” she explained. Olive also pointed out the need to proactively serve customers and approach them instead of waiting for them to approach you, but interestingly, on my first visit to the store, I had to approach her for service as she sat behind a desk working on paperwork and computer data entry. While this is only one example, it represents what I consistently observed across participants: what they say does not always match what they do.

As means of example, as noted in the data, controlling total inventory dollars as well as preventing SKU-by-SKU out-of-stocks is mentioned by the majority of participants as a common issue. To delve into this issue, I would regularly check the accuracy of cashiers by buying similar-looking products such as a milk chocolate and a dark chocolate candy bar. My test was simple. How often did these items get rung up correctly and how often are there errors? These in-store tests allowed me time to observe cashiers during the check-out process and also to ask them questions regarding what they believe is important to customers shopping in the store. Consistent with the in-depth

interviews, cashiers mentioned inventory levels and SKU-by-SKU stocking levels as important to customers; however, accuracy during the check-out process was lacking. My artifacts from these visits are typically store receipts (e.g. Figure 8) acquired by performing 1-2 tests per week over the course of the project. My logic is that if items are not consistently rung up correctly, a SKU-by-SKU out-of-stock will result. Interestingly, cashiers are aware of the importance of in-stock inventory, but do not seem to connect their own personal actions regarding register accuracy with the resulting inventory in-store. While my orders were usually rung up to account for the correct dollar amount owed, item-by-item accuracy was consistently in error. One example of this is shown in Figure 8 which illustrates how my purchase of 2 milk chocolate and one dark chocolate candy bars are listed as 3 dark chocolate bars.



Figure 8. Sample receipt showing register SKU error in checkout.

This incongruity between a retail employee's words and actions seems to have a confounding effect on the employee's ability to clearly see service gaps and identify productive areas for improvement. Employees *believe* that they are performing at a very high level, so it is difficult for them to consider meaningful areas for improvement. A

good example of this was when James was asked what employees could do to improve customer-company interactions, “Well, I think we are doing the right thing. I think the company is going in the right direction.” This comment is very interesting since James works for a company that he said is “notoriously at the bottom of the list for the worst service...” Certainly one explanation for his answer may be that James believes the service *today* is good, while the “list” reports historical service levels. Regardless, this comment and others highlight a general inability of retail employees to objectively differentiate between what should be happening and what is actually happening across customer-company interactions.

For instance, manager participants talked so frequently about their vision for service, that through the telling of their service stories, they believed they had already implemented a new system. When asked about his new customer service process Brett said, “I’ve built some pieces of it... we had meetings last week where I talked about what we need to be selling... so there is the process.” Yet when I asked if Brett could share some of the program details, it was clear that no systems, scripts, standards, metrics, or protocols could be produced to tangibly document his new vision for service.

Similarly, employees frequently referred to the need to “listen to customers” as a means of improving customer-company interactions. However, systematic corporate efforts to do so are scoffed at and dismissed. For example, customer surveys are commonly mentioned as a method to secure customer feedback and hold retail employees accountable regarding the level of service they are delivering to customers. For instance, “We have surveys that are done every month and then we’re actually held to certain standards as far as how the surveys come back. So we are given a list of things to focus

on,” explained Alex. These surveys are common across the organizations included in this study and typically customer survey data is collected via the Internet or interactive voice recording (IVR) phone systems.

However, according to retail employees, these surveys, while held dear by management, are viewed with skepticism by employees. “A lot of times on surveys, the customers that take surveys do so to really complain about something that happened... so even though things are usually pretty good, you hear a lot about the bad things,” explained Olive. Like Olive, most employees believe that only those very happy or very disgruntled customers respond to surveys and believe that different avenues of acquiring feedback should be explored, particularly since employees’ job performance are measured against survey feedback.

Additionally, survey results drive service improvement initiatives. Employees often view these initiatives negatively since they have no input in their creation, and feel that management is only concerned with the “fickle” voice of the customer and not the voice of employees. These service improvement standards and protocols resonate with retail employees as “flavor of the month” service. As Brett explains, “No matter how much we try and push it in that direction, if we are going in 8 or 10 different directions at the same time, it means we are going nowhere.” Interestingly, employees believe that the most common customer complaint on surveys is a customer unable to find a staff member to help them. This belief adds to the skepticism of employees regarding survey-driven improvement programs because they are evaluated in part by the results of surveys that, in the employee’s view, do not realistically assess service performance. Employee logic is as follows: If staffing is the biggest complaint, it is incumbent upon managers to fix the

staffing levels if they are truly committed to customer service. Since staffing levels are deteriorating (according to employees), managers' espoused service beliefs (improving customer service) do not mirror their service in action (staffing levels). Therefore, the perception of retail employees is that management is not really committed to service. Of course, one might also conclude that employees are also demonstrating a lack of commitment to their service beliefs regarding customer feedback as a mechanism for service improvement; since only feedback collected informally and on the terms set by employees seems valued by employees.

Fundamentally, while retail employees are guided and motivated to develop relationships with customers, as shown in the data, control issues and service beliefs affect their actions and often constrain their results. While issues of control commonly manifest as feelings of isolation and/or apathy by retail employees; service beliefs often cloud the realities of customer-company interactions from the view of employees. However, the data imply that issues of control and service beliefs are merely byproducts or symptoms affecting customer-company interactions. Based on this analysis, I posit that it is the sealed-off nature of information and the uneven distribution of or access to information that creates silos. Conceptually, these silos result in the perception by retail employees that they have "no control" and create a distorted view of customer-company interactions.

THE THEORY OF STRATEGICALLY CONSTRUCTED SILOS

A common thread in the data reveals that control can be insinuated into virtually any work flow or process through silos. In this context, silos refer to the sealed-off nature of information and the uneven distribution of or access to information. “From a general management context, silos refer not only to isolated data structures, but also to the sort of thinking that creates and maintains them” (Lager, 2005, p. 49). Several silo types are present in the data produced by this study. These include, *service silos* that are evidenced by having central service desks for product exchanges or returns; *knowledge silos* that are evidenced by training only certain retail positions or employees; and *decision silos* that are evidenced by allowing only select employees to handle service recovery efforts.

The data highlight key differences between traditional organizational silos and the phenomenon present here. Traditional organizational silos are commonly understood as distinct business segments that lack effective communication and cooperation and are typified by the “right hand not knowing what the left hand is doing.” More recently, the concept of silos and their impacts have begun to emerge within the academic literatures primarily in the areas of organizational behavior, strategic management, and information systems. However, unlike traditional organizational silos, the theory of strategically constructed silos is not reliant on corporate structure (e.g. physical location or organizational hierarchies). Therefore, strategically constructed silos are not byproducts of flagging cross-departmental cooperation or the cumulative effect of decades of decentralized command and control. Rather, these silos are strategically *intended* structures within organizations that are created through the operational processes of an organization. As a means of clarification, the evolution and meaning of the theory of

strategically constructed silos is provided: At the moment of awareness, when a company exceeds the capability of its existing policies and procedures, management intentionally alters work flow structure through strategically constructed silos. These silos are constructed for the purpose of standardizing operating policies, procedures, and protocols. Strategically constructed silos force implementation through people and systems as a means to control, normalize, or standardize the service/product offering and resultant customer experience. Therefore, by identifying strategically constructed silos as an intended structure of the company, this theory elaborates both the effect and evolution of strategically constructed silos on employee knowledge, motivation, and performance outcomes for customer-company interactions.

The Effect of Strategically Constructed Silos

Silos: A Consequence of Bounded Information

Most retail organizations included in this study have “Customer Service Centers” to handle customer problems. These centers are typically a separate area or service desk within a retail location where customers are “sent” for all but routine transactions. For retailers who use the phone and/or Internet as the primary interaction channel, it is common that this same process is emulated, but rather than a physical place, these retailers use designated agents to handle these issues, thereby containing problem issues within a silo. Service Centers have become so ubiquitous that until I was analyzing the data in earnest, I too failed to notice these separate areas in store or to give them much thought. Within brick-and-mortar locations, Service Centers are a fairly recent phenomenon, with their emergence possibly corresponding with the development of

larger store footprints and tobacco legislation requiring that certain products be kept under lock and key.

From the data, it appears that retailers implement Service Centers for a variety of reasons. They may desire to control where and how service recovery decisions are made and by whom. They may desire a means by which to speed up checkout lanes by removing any non-routine transaction. They may simply implement a Service Center because all of their competitors do so. Regardless of why Service Centers are implemented, employees that work in Service Centers believe that they know how to handle issues better than other employees in the store and that they are selected due to their special skills. But do these employees really have special skills or are they simply provided access to additional information, training, and then subsequently given the authority to make decisions? Based on the data, it seems evident that the latter is most likely.

The one notable exception to the Service Center idea is Grant's company, a regional chain of drug stores. This company helps to shed light on a key issue affecting customer-company interactions and silos: time. In discussing customer-company interactions, Grant felt very strongly that there is not a good business rationale for Service Centers to exist and said:

When you have a Service Center, what you are really telling your customer is, 'I don't want to deal with you, and I don't want to deal with this problem, so go down there. See that sign that says Service? That is where you get service. You don't get any Service at the check stand or on the floor. If you have a problem, you have to go over there.'

Grant, who is now retired, worked for a chain of 50 or so drug stores for over 40 years. In that time, the company never implemented Service Centers even as they watched their

competitors do so. Also different than most retailers, Grant's company required cashiers to do the product ordering, "Because we want them to know what we had and know how it sold and keep it in stock." He went on to add, "We always thought that if you've got a company name badge on, you *are* the Customer Service Center." However, when customer issues did arise, Grant said the clerks are supposed "to call up the person in charge in the store." In this way, silos are still present. Yet, because the problem is solved with the clerk, manager (i.e. person in charge), and the customer collaboratively and immediately, Grant perceived it to be a workable and good process. He said:

Our idea was if you had a problem, the person in charge will come up here and take care of it right now, right here... we don't have to send it to New York or have it verified by 18 people, and you don't have to go stand over there in that line that is 14 people deep because someone wants to buy a lottery ticket up there but they are not sure what kind they want to buy... we always thought stores that have Service Centers give lousy service or they wouldn't need a Service Center.

I reference Grant here because his words help to shed light on the importance of time as it relates to information and silos. In this scenario, Grant alludes to solving customer issues immediately, without added procedural requirements. He said that their process works for the company and its customers because they "put the decision making as close to the problem as possible and make the time frame as short as possible." He went on to add that having good staffing levels is required:

We have a lot of people on the floor and often times the customer will just come up to one of those people and say, 'I bought this rose-scented something, and I wanted lemon.' And the clerk would say, 'Here, I'll take that one and give you this one and everything is great. You are all set.' Most customers would then say, 'Is that all? Where's your Service Center?' [laughing].

This scenario implies that by making all retail employees on the floor active in customer service and service recovery efforts, information is more likely to spread across the

organization. This is because all employees receive guidance and training as well as experience actually dealing with customers to resolve issues.

In contrast, in a traditional service silo or Customer Service Center, it is more likely that deep knowledge may be acquired only amongst a small group of employees that work in the Service Center. For instance, when I asked John about how I would return or exchange a product with him, he said sarcastically:

Well I can't really return that defective product for you Mrs. Customer... I know it is only 69 cents, but I can't walk to the shelf and get you one that works. I am going to give you a sticker and you've got to go to a separate line, because the company doesn't trust me to make 69 cent decisions...

In this scenario, John is speaking from an outsider's perspective, as an employee who is required to send customer issues to the service desk rather than being empowered to handle those issues himself, thus never acquiring the kind of "specialist knowledge" typically concentrated in the Service Center. However, for those working in the Customer Service Center, this "specialist knowledge" would be acquired over time by dealing with non-routine customer issues that are "sent" to the service desk by other employees like John. In time, this small group of employees becomes recognized as "experts" in their respective areas and based on this expertise, are empowered with progressively more decision-making authority. James explained how this works at his company, "Most [customer complaints] are handled at the service desk for returns... they [service desk employees] are empowered to take care of a customer up to \$50 dollars without getting a manager involved."

While the scenario above illustrates a service silo, knowledge silos are also present in the data. For instance, one employee described Brian (another participant) as someone who believed he could, "Do everybody's job in the division better than they can

do their own job.” During our interview, I pursued this idea with Brian and he admitted that he had a hard time “stepping back,” even though he knew he had to allow others to do their own jobs. Brian explained, “Unless I can find a process to help manage the fear about some task getting done in a way that may not be as good as I can do it myself, I will go insane.” This is interesting because it speaks to the role of human emotions in the formation of silos; silos are not always the intentional product or unintentional byproduct of company policy, process, or procedures. Most retail employees in this study recognized that fear of losing control is a big factor affecting customer-company interactions purely because they believed that if they let go of certain tasks, the task might not be done as well as they can do the task themselves. John added, “It is like it is physically impossible to try and wrap your hands around every problem... and it is still hard to let go.”

In addition to the emotional driver of fear in knowledge silos, ego seems to be a component. While not explicitly addressed, many retail employees described the satisfaction and pride they took in knowing the answers to customer questions. Even more powerful is when retail employees perceived themselves to be the “go to” employee that other employees sought out for answers and help. Being identified as the “go to” person who is knowledgeable or even *expert* is a powerful driver. Many explained that they felt resistance to formal systems or training that would provide fellow employees access to the knowledge that they had acquired over time. Brian said that other employees should “earn it” like he had and admitted to being resistant to formal programs because his unique knowledge “is who I am.” Considering the two drivers of fear and ego, it is clear that not all knowledge silos result from simple company processes or

procedures such as the choice to provide specialist training to employees on the floor but not to cashiers. Company programs designed to disseminate information beyond silos may be undermined by employees who want to retain expert status among their peers as a way to keep their own self-identity intact.

Kim's story is representative of retail employees working over the phone or via the Internet. Kim, who is the designated call center agent for problems other agents are unable to solve, explained the role that training plays in the call center. "Well, you can't really train them [call center agents]... the best thing is to just sit and listen to them [customer] while the customer is complaining and not interrupt them." When asked how effective that system is for actually handling the problems Kim said that she tells other agents, "If you can't help them, transfer them to me and I will...once they get transferred to me, their attitude changes." Kim explained a scenario that is common for many retail employees in this study, "When I first started, most of my training was through paperwork and listening to the calls of others." From Kim's perspective, it appears that she feels "entitled" to her expertise and takes great pride in being able to handle problems that other agents can't. Kim has crafted her knowledge and experience into expertise that is recognized by other agents; thereby making herself the knowledge silo in this call center. Based on the high degree of pride and self-importance that Kim derives from her role as expert, it is unlikely that she would perceive the need for others to acquire the same degree of knowledge and expertise that she possesses.

Considering the previous examples and drivers of both service and knowledge silos, it is not difficult to imagine how a decision silo might result. Due to the company structure, the processes established for handling customer issues (e.g. customer service desks), or

the emotional context of retail employees charged with this duty (fear and/or ego), certain employees are trusted to make decisions that other employees are not based on their experience in handling similar problems. However, this experience is the direct result of the company processes for handling issues, or the emotional contexts of retail employees charged with this duty. This results in a “self-feeding loop” as shown in Figure 9. This self-feeding loop can lead to an interesting outcome: the natural evolution of “service specialists” within retail venues; a phenomenon that emerged in this study.



Figure 9. Self-feeding loop contributing to the creation service specialists.

Service Specialists: A Consequence of Silos

The idea that service specialists are created through the uneven distribution of, or access to, information is well supported in the data. The perception of retail employees as

to why companies may choose to implement processes, procedures, or policies that result in silos relates to two key aspects: (1) the special skills of those given full access to information, and (2) the skill deficits of the typical employee.

The idea that certain employees have special skills and thus have earned the *right* to access information was expressed by Brian when he said, “We will never, never, never want them [subsidiary employees] to be the ambassador of our service in store.” Brian talked extensively about how only his small group of trained service providers should talk to customers about the service since the others “don’t have a clue.” Reversing this perspective, Donna is an employee not currently working in a silo. She expressed frustration about her lack of training and believes she is treated as a “second-class citizen” when it comes to training. She complained, “We have the least amount of knowledge about products and you know, like if you were to ask me where something is? I can get them [customer] the answer with a phone call, but sometimes customers want an answer right now.”

The notion that the average retail employee has skill deficits is expressed by Grant who said, “Like at Wal-Mart... I think the people there are of such low quality, you couldn’t trust their judgment.” Dan supported this idea a bit differently when he talked about how there is “too much to know” about the products and services his company sells and that because the company is, “Trying to manage thousands of products and services through one phone line,” it necessitates a silo approach to customer service. Dan’s words imply a strategic choice by his organization to deeply train a few employees who work in the call center with little regard to training for the remaining employees.

Two notions of knowledge silos have emerged from the data: a silo approach, with a few specialized knowledge experts, and a non-silo approach, with knowledge distributed throughout the organization. Fundamentally either notion relies on the retail employees' relative access to information and subsequent knowledge development. It is important to recognize that while silos seem to be a common phenomenon in organizations, strategically constructed silos may contribute either positively or negatively to customer-company transactions. The effect of silos on customer-company interactions is significant and these effects have many implications for academics and practitioners alike.

The Evolution of Strategically Constructed Silos

Retail employees participating in this study belong to well-established companies beyond the first five years of operation. Throughout the interviews and data collection, ideas related to "how it used to be" consistently emerged. Common is the idea that processes, procedures, or policies are somehow different than how the employees remembered them when they first started with the company. This idea of temporal change is interesting and from the data analysis emerged as a contributor to the formation of silos. Fundamentally, employees perceive that in the first few years of operation, companies are focused on the customer first and foremost. Over time, employees believe that through the insinuation of processes, procedures, and policies this shifts towards a company-driven focus.

From Customer to Company-Focused

From the data, the existence of silos appears to be a common phenomenon occurring over time as the company matures. As a startup, many retail employees describe their company as a place where everyone would roll up their sleeves and, as Matt said, “Do whatever it takes to acquire customers and make the business a success.” This customer-focused perspective seems to resonate with employees as a common goal that is driven deep within and across the organization. Josh explained this well, “In its infancy, it felt like we were a family and we were really working towards something together...” From the data, it appears that in an organization’s early stages, the customer is the primary focus with all supporting activities such as hiring and management of people, development of company processes, or implementation of new company technologies designed to best serve the customer. This relationship is illustrated below in Figure 10.

However, over time employees believe that this focus shifts. To paraphrase, participants described it as an experience that is similar for both large and small companies:

Large companies experience the same scenario as the one-man operator who is on the phone with customers, working the van, in home performing the service... It [processes and procedures] works to a certain point and then something happens... like there is magic number of customers or employees, or number of stores - a business gets to be a certain size and it all just falls apart...

Josh explained that initially at the company where he worked, all the control was at the store, not at the corporate office. This was confirmed by many participants and common is the idea that at some moment of crisis, some epiphany, or some new awareness by

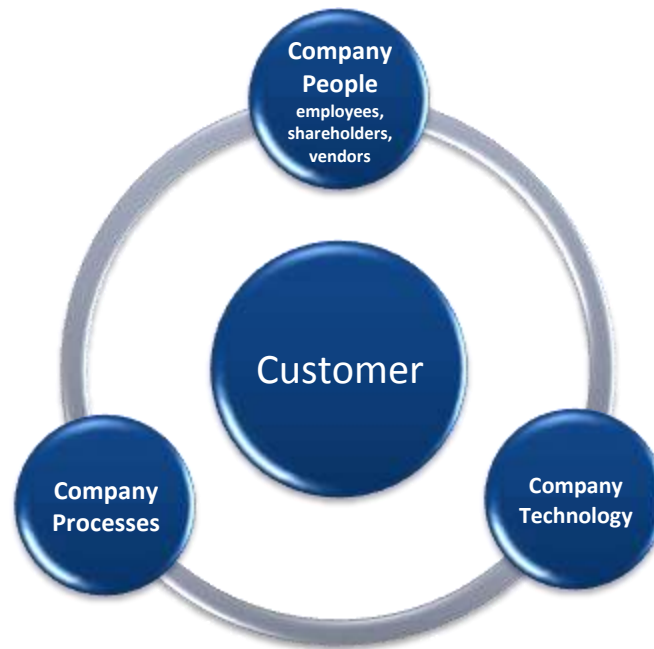


Figure 10. Customer-driven focus.

management, that management feels the need to “take back” control. John described it this way:

Like when this company started - when they only had 12 stores, - the founders personally hired each of these managers and they trusted them to make decisions like they owned the company. But something happened at a certain number of stores or number of jobs, they got bigger and brought in “professional management” and thought, “We need processes to safeguard company assets...or formal structures and hierarchy befitting a large powerful company like we are...” and at that moment, the focus shifted from the customer to the company.

Josh said, “I certainly can’t see the personal touch that I felt when the founder was here – that kind of excitement doesn’t seem to be there anymore.” John continued by describing how the founders had “sold out” and when they left, new “professional” management teams came on board along with “added red tape and hierarchy.” With new management, retail employees perceive that decision making changes from having primary focus on the

customer to a management perspective that prioritizes company interests over those of employees or customers. Rebecca reminisced:

What is interesting, is this is full circle... the most important thing that customers like about our company is the people because they felt like they were “on their team” - like they were trustworthy, like they would make the right decisions... but the more policies the person delivering the service has to follow, the less they can be the “person on the customer’s team”...and then the worse it gets.

Olive described one incidence of this when she said, “People want to know which product is best, but I don’t know if we are allowed to say without making the vendors or managers mad.” Donna expressed this same idea when she described a change in policy regarding product returns and exchanges, “It is so specific about mark downs, like, rules and stuff... and it doesn’t matter if the customer gets frustrated...the rule comes first.”

For John, trying to juggle the shifting demands of management is not easy:

One of the big challenges that we have right now is that people have so much to do...how do I make the list of all the things that I am supposed to be doing?...so pretty soon people forget what their priority is. So am I supposed to keep doing all this and all this? I don’t know if I have the capacity to retain all of this. Do they want me to change my focus or spread myself thinner and reduce my quality?

For some participants the shift from customer to company focus occurs with the hiring of additional employees, new management, or company growth. For others it occurs with a change in firm ownership or due to the firm becoming a publicly traded company.

This shift from customer to company-focused decision-making is a common phenomenon expressed by most participants and in fact, the data suggests that as the organization grows and matures additional layers of management or reporting requirements are added in response to growth. For example, this growth might include more stores, more employees, more products, or the acquisition of the firm by a larger organization. Ready (2004) supported this notion, “As soon as a company becomes large

enough to offer multiple lines of business in various regions, it begins to face tensions regarding how to go to market, who has primary accountability for which customers, and how to factor revenue and profitability into performance measurement” (p. 94).

When additional layers of management are added, employees say they feel the change and note that decision-making becomes more the domain of senior management rather than all stakeholders of the organization. Brett described this in critical terms, “The President is very impulsive and he goes wherever he wants to and the direction changes every ten minutes.” This phenomenon may be described as a situation whereby problems come from external factors such as the customer, competitors, or the marketplace; yet solutions become “silo-designed” and then insinuated on the whole service profit chain. Rebecca complained, “I just hate meeting with my boss because it is basically handing down things from the mountain top and it didn’t feel that way before... I don’t feel valued anymore.” This change positions the concerns of the company as the central focus with supporting activities within the value-chain designed to best serve the interests of the company. This relationship is shown in Figure 11. This inward company-focused perspective, according to retail employees, results in “lumpy service” as expressed by Brian, whereby only a few employees have the authority, knowledge, or skills to fully serve customers. Other employees must rely on the specialized service contained within the silos of the organization to serve customers.

Insinuating Processes, Procedures, and Policies

When a company grows to a point that exceeds the capability of its existing policies and procedures, and management attempts to evolve those policies and procedures to accommodate that growth, a company focus tends to emerge. At this point, work flow

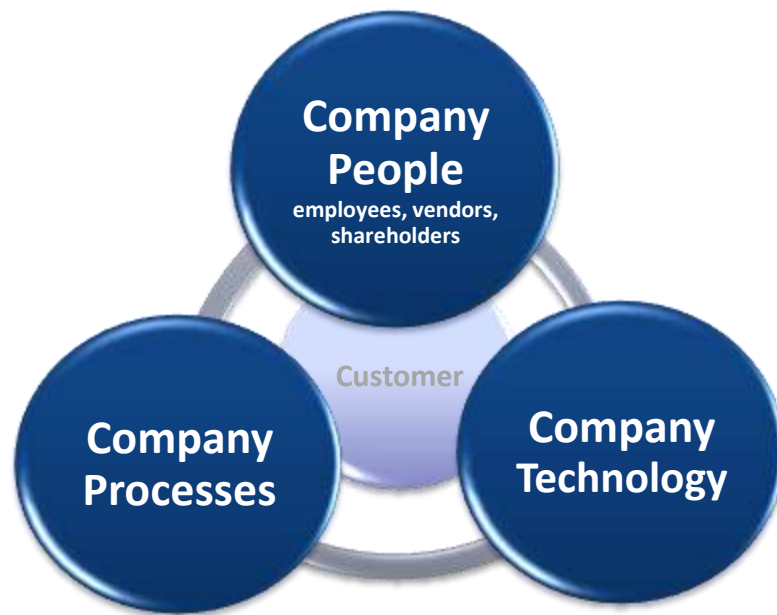


Figure 11. Company-driven focus.

structure is commonly added through strategically constructed silos that are developed with the purpose of standardizing operating policies, procedures, and protocols. These silos force implementation through people and systems as a means to “control, normalize, or standardize” the service/product offering and resultant customer experience.

During this shift from customer to company focus, employees report feeling unsure as to what their priorities should be. “You can bounce back and forth and say, ‘Is it customer satisfaction? Is it revenue? Is it competitor focused?’ ... There are so many things and I don’t know what the focus should be,” said John. This shift in focus and decision-making often does not consider all stakeholders in the service-profit chain equally. For instance, while the problems and challenges facing a company are still coming from external sources such as customers, competitors, or the marketplace, decisions become the jurisdiction of a select few employees, typically senior

management. This results in retail employees' perception that a new philosophy governs operations, one that no longer includes a "do whatever it takes" mindset, but instead becomes more headquarters-focused. Matt had suggestions to fix this:

I would give people a voice in decisions. Let employees have a voice. Let them help make this company the great company that it can be... and was. Too many times it's just pushed down their throats... 'This is what you are going to do.' And it's all about process and right, wrong, or indifferent, they [corporate] are taking the fun out of it.

Rebecca supported this notion, "I can't see the big picture and I would like to... but maybe I'm not high enough up on the totem pole to be privy to that, but I'd like to know what the game plan is." She went on to add:

I don't think the President has a good understanding of what we do... because of that, he wants to try and quantify whatever he thinks we do. But you've got to understand what your responsibilities are first – have some way to measure them and then evaluate the results.

What these comments and others have in common is the *change* that employees perceive to occur over time as the organization grows. Likewise, these comments seem to point to less than optimal communications and information sharing amongst all stakeholders; which is a common pattern of silos. Employees do not seem to be upset with who is making decisions; they expect senior management to be "calling the shots." However, dissatisfaction occurs when employees perceive that they lack input with regard to the decision-making process, and subsequently the way in which decisions are insinuated into the work flows of retail employees through strategically constructed silos.

IMPLICATIONS FOR THEORY

Dissecting Strategically Constructed Silos Across Customer-Company Interactions

Most instances in the data imply that strategically constructed silos create a negative effect on customer-company interactions with services provided by call center agents (Beth, Dan, Kim, Wendy), retail service desks (Alex, Donna, Dylan, James, Olive, Sam), or in-home service providers (Brett, John, Josh, Rebecca). However, a few instances in the data indicate that silos might aid in positive customer-company interactions and in the development of relationships between the company and the customer it serves. Examples of this positive effect include the services provided by hairstylists (Marcy), the artisan work of wood renewal technicians (Brian), and the speedy service recovery provided within a store (Grant, Matt). The important factor providing evidence for whether silos help or hurt customer-company interactions relates to two ideas: (1) whether the retail employee needs specialized knowledge to serve the customer, and (2) whether the interaction is routine or non-routine in nature. For each company included in this study, employees mentioned various tasks performed by themselves or others. These tasks naturally fell into one of four quadrants: (1) specialized knowledge/routine, (2) specialized knowledge/non-routine, (3) general knowledge/routine, and (4) general knowledge/non-routine. These sample tasks are provided in Appendix A as a means to differentiate between specialized and general knowledge, and routine and non-routine tasks.

Specialized versus General Knowledge

Interactions requiring specialized knowledge support the idea that strategically constructed silos may aid in customer-company interactions. This is somewhat intuitive and related to the type of product/offering at the heart of the transaction. For instance, in the case of Marcy, a 12-year veteran hairstylist at a higher end salon, she directly attributes her special knowledge and skills as a key component of establishing and maintaining positive relationships with customers:

You are required to do some kind of training throughout the year... You have to stay on top of it and keep it the kind of salon that shows that we are educated... And I love that; because I am all about the education. It is fun to know what is new and the latest styles and trends... that is very important.

Marcy provides a high level of personalized service for each of her clients and retains knowledge about clients that others in the salon do not possess; therefore Marcy is a “knowledge silo.” Marcy, through her unique knowledge and skills, has created one-to-one relationships with customers that have a positive effect on customer-company relationships.

If we compare and contrast the service, knowledge, and personalization that Marcy provides with that of a quick-serve hair salon retailer, we see how the reverse may be true. At quick-serve hair salons, clients have a one-to-many relationship with the stylists in the shop, meaning that they are served on a first-come, first-served basis with the stylists being *interchangeable*. In this scenario, the value equation for customers is more about getting in and out quickly; so if stylists are to emulate the level of service that Marcy provides, clients would most likely be put off by longer wait times and, most likely, a higher price creating a situation where a silo might have a negative impact on customer-company interactions. The key difference between these two scenarios is the

degree of specialization, personalization, knowledge, and skills that are in play in the product/offering as the key determinant of a silo's impact on customer-company interactions.

Customer-company interactions reliant on general knowledge are more common in the data of this study. Call center agents, in-home service providers, and employees working on the floor of general retail stores provide great examples of interactions that rely on general knowledge. However, even when only general knowledge is required by the nature of the interaction, it is common to see that service, knowledge, or decision silos are present due to either the processes or procedures of the organization or emotional factors such as fear and/or ego of the retail employees. Silos occurring in these situations are perceived by employees who work outside of the silo to be “frustrating” and it is easy to speculate that customers might feel the same frustrations. Kim expressed this best:

When a service provider doesn't have the ability to clean at a certain time, then we have to start calling around and find someone who can clean at the customer's preferred time...if we could see the service providers' calendars and just book the job, not just enter it, then the customer wouldn't have to get a separate phone call to see when they can schedule. It would be better to schedule them on a single call.

In this scenario, no specialized knowledge is required to view a calendar and book jobs in free open slots. However, because of the sealed-off nature of information and the uneven distribution of or access to information, call center agents like Kim are unable to effectively and efficiently handle customer inquiries. This scenario illustrates a strategically constructed silo that will likely have a negative effect on customer-company interactions. Additionally, the “routine-ness” of the tasks that employees are expected to perform also impacts the effect that a silo has on certain interaction types.

Routine versus Non-routine Interactions

Interactions that are non-routine in nature might intuitively appear well-suited to a silo approach for customer service. That is, for those transactions occurring infrequently, most companies within this study assume that a strategically constructed silo composed of deeply trained specialists working within a designated service, knowledge, or decision silo will be beneficial to customer-company interactions. However, the data does not support this assumption across all types of non-routine interactions. As means of example, two BR companies are shown in Figure 12. The first, a home improvement retail outlet, and the second, a BR service franchise company that performs its service in-home for customers. From the in-depth interviews and observations with participants from these two companies, tasks mentioned by participants were placed in the quadrant based on the “routine-ness” of the specific task described. Following is a discussion of the key findings of how silos impact these interactions based on the “routine-ness” of the task and degree of specialized knowledge needed to perform the task.

Non-Routine Interactions, Specialized Knowledge

On the surface, silos seem to be more common in situations where interactions are non-routine in nature. Examples of these non-routine tasks include conducting in-store training classes, performing customized financial planning for clients, conducting the inventory and ordering of products and supplies, or creating customized kitchen makeovers such as are common in home improvement retail locations. Olive explained this, “For kitchen designers, they want to talk to the customer, they love spending time in the CAD programs building the computer rendering of beautiful new kitchens.” In scenarios such as these, it seems intuitive and perhaps expected, that not every retail

HOME IMPROVEMENT RETAIL OUTLETS

	Routine (1x or More Daily)	Non-Routine (Weekly or Less)
Specialized Knowledge	Special Order Products/Services	Conduct In-Store Training Classes
General Knowledge	Provide Aisle Assistance	Special Order Returns/Exchanges

HOME SERVICES FRANCHISE

	Routine (1x or More Daily)	Non-Routine (Weekly or Less)
Specialized Knowledge	Bid the Job	Custom Cabinet Color Change
General Knowledge	Book the Estimate	Mail the Customer Database

Figure 12. Examples of task “routine-ness.”

employee in a location would have the same knowledge or authorization to serve customers due to the non-routine nature of the interactions and the degree of specialized knowledge needed to perform the task. For this reason, silos may aid in customer-company interactions due to the specialized knowledge that is needed in conjunction with the non-routine nature of the interaction.

Routine Interactions, Specialized Knowledge

For routine interactions requiring specialized knowledge, such as bidding the job for an in-home service, the use of silos may not create a positive effect. For instance,

Brian explained how one service provider handled routine interactions such as booking the estimate, bidding the job, setting the service appointment, and performing the work:

So the person that books the estimate is different than the person that actually does the job. And they actually have someone that goes out and does the estimate and then they go out and give the price, and then they schedule an appointment for the lead technician to come back [to the customer's home] and true up the estimate and really manage expectations and set the appointment and everything.

In this scenario, it appears that knowledge is very compartmentalized amongst the employees performing the various stages of the job. This results in added steps and requires at least three visits to the customers' home (first estimate, lead tech estimate, service performed), thereby creating the potential of customer inconvenience and a negative customer-company interaction. Since every job that this service provider performs includes the steps of booking the estimate, bidding the job, and performing the service; these interactions are routine, yet still require a degree of specialized knowledge. While the data is not definitive regarding the effect of silos under these conditions, it seems likely that silos insinuated into routine interactions requiring specialized knowledge have at least the potential for a negative effect.

Routine or Non-Routine Interactions, General Knowledge

While silos are common for non-routine interactions, silos by their very nature tend to convert many routine interactions into non-routine interactions. This occurs through added procedural requirements for routine interactions such as returning a defective canister of hairspray, or exchanging a jug of milk that is sour. Because most retailers in this study handle these two routine interactions through a separate service desk, customers are forced to a service silo for resolution. Therefore, a strategically constructed silo is insinuated into the workflows of employees and customers to handle

routine interactions requiring general knowledge. Over time these interactions are considered non-routine simply because they do not run through the regular check stands and only certain employees retain the knowledge or authority to handle these types of interactions.

Peeling away the layers of cause and effect surrounding the formation and justification of silos, the data reveals only one business condition that seems to consistently indicate a positive effect of silos on customer-company interactions: when specialized knowledge is needed in non-routine interactions. From a broader perspective, the data suggest that silos are more likely to result in a suboptimal effect on customer-company interactions that require only general knowledge. Based on the data, this conclusion holds true whether general knowledge is used for routine or non-routine interactions. Likewise, the data suggest that silos are also more likely to result in a suboptimal effect on customer-company interactions that require specialized knowledge for routine transactions. These conclusions are shown below in Figure 13.

	Routine	Non-Routine
Specialized Knowledge	Silos Suboptimal	Silos Positive Effect
General Knowledge	Silos Suboptimal	Silos Suboptimal

Figure 13. The effect of silos on customer-company interactions.

Interestingly, while silos are pervasive throughout the companies of the study participants, very few occur in the quadrant of non-routine interactions requiring specialized knowledge. Most silos present in the data occur for routine or non-routine interactions requiring general, or non-specialized, knowledge. Because of the ubiquitous nature of strategically constructed silos, it is important to consider the impacts of silos occurring in suboptimal business conditions.

Impacts of Strategically Constructed Silos Occurring in Suboptimal Conditions

Probably because most study participants are in jobs requiring general knowledge, it is across this business condition that silos are most frequent. However, implementing silos in suboptimal conditions, such as interactions requiring general knowledge, has implications for practitioners in particular. The data revealed four specific risks that may occur: (1) Alienating key stakeholders, (2) generalists outperforming specialists, and (3) customers developing relationships with the specialist rather than the location/brand.

Alienating Key Stakeholders

This idea hit home with me directly when I attempted to return \$15 of merchandise to a local Big Box retail store. My mission was simple; get a refund for a board game (Yahtzee, \$5) and a pair of children's shoes (\$10). While the task was simple, the process to complete the return was a bit more complex. Upon entering the store carrying a plastic bag containing my two items for return and the sales receipt, I was stopped by a "greeter" at the front of the store who informed me that I needed to get a sticker to return my products. The greeter proceeded to reach into my bag, scan each item

and print a sticker which showed the two items with their product codes and the current stocking price. Thinking of this research study, I asked her, “Why do I need these stickers?” She replied:

They are for store security. We used to just put on pink dot stickers, but customers would take those off and then put them on things like a new TV and then bring the TV up here for a refund. We didn’t have a way to know who was legitimate.

Trying to keep my tone neutral, I asked, “What makes you think that I would do something like that?” In response she said, “Well, this new system has saved us billions of dollars. You need to stand in that line to return your stuff.” When I shared this story with my friend Cecelia over lunch she said:

Those policies are convenient for the retailer, and not for the customer. If I have to stand in a special line to exchange or return something that is all I am likely to do in the store. If I can get that handled easily on the floor, I am more likely to pick up some other things or browse for other items.

As a customer, Cecilia is not the only stakeholder that may potentially be alienated by the implementation of a service silo for interactions requiring only general knowledge. Retail employees commonly complained about having to send customers to the service desk. Thinking back to John’s sarcastic comment regarding his inability to exchange a 69-cent item, it points to the morale of retail employees and how morale is affected by silos. Some employees may feel *special* for being selected to work within the silo, while others may become disenfranchised and feel powerless to solve basic customer issues. This could result in a level of service that may be described as “Don’t know, don’t care.”

Generalists Outperforming Specialists

If a retailer is unable to respond to customer inquiries quickly, customer questions can become customer problems. If you do not empower and train your employees to

handle these issues right on the floor, right now, service can deteriorate. Grant shed light on the importance that time and cooperation play in resolving customer issues. Thinking back on the scenario of a customer wanting to exchange a rose-scented something for a lemon-scented something, he described a scenario where the retail employee simply took the unwanted item and gave the customer the wanted item. In this situation, the exchange is quick and painless for the customer. Under a scenario where the customer would be required to go to the customer service desk to perform this same exchange, it is likely that the process would take more time and perhaps cause customer frustration. In this situation, it is easy to see how a “generalist” (employee working on the floor) may outperform the silo “specialist” in this interaction that requires no specialized knowledge.

Customers Developing Relationship with the Specialist

Rather Than Location/Brand

In line with previous research, “Relationship marketing is typically more effective when relationships are critical to customers such as for service versus product offerings...” (Palmatier, Dant, Grewal, & Evans 2006, p. 150). If we consider the customer-company interaction that occurs through service silos, the customer will typically interact with the silo specialist to resolve issues or due to the need for specialized knowledge. By “forcing” the customer to a service or knowledge silo, the organization may ultimately be facilitating a relationship between the service specialist and customer rather than between the company and customer.

Understanding that “Between the service provider and the service user an emotional bond also develops creating the need for maintaining and enhancing the

relationship” (Parvatiyar & Sheth, 2001, p. 6), an important implication for management is how, and with whom, that bond forms. What if the relationship that forms is between an individual retail employee and the customer? A common story told by participants in this study is how they described their idea of “great service.” For instance, when talking about the bond Matt wants his customers to form with his tire store he said, “We want them to call and say, ‘I’m going to send a friend over. I told him to track you down when he gets there.’” On the surface, this scenario appears to be very positive; yet, what if Matt is not working when the referred customer arrives? Would the customer work with another employee or have the patience to come back again in hopes of finding Matt? What if Matt leaves the company to work for a competitor? Is the customer likely to follow? By encouraging the connection of specialists to customers, the organization may risk the long-term relationship with the customer because of the sealed-off nature of information and the uneven distribution of or access to information. If other employees are not aware of how the customer has been handled previously by Matt, the company may face the risk of customer defection when and if Matt chooses to leave. Considering the scenario with Matt, it is easy to see how the customer experience could be impacted by Matt’s presence (or absence) when the referred customer arrives. Yet without this good first experience, the likelihood of a return visit by this customer is questionable.

Therefore, I posit that silos implemented under suboptimal conditions will constrain S-D logic, impact CEM, and potentially derail CRM initiatives within the company. Ready (2004) supported this notion and argues that “Silos become pathological when they deprive customers of better products and services or, in pursuit of conflicting priorities, hinder a company's overall growth” (p. 97). Due to the risk of silos negatively

impacting customer-company interactions under suboptimal conditions, the following section offers specific managerial recommendations for identifying suboptimal silos and specific strategies for combating the negative effects of silos on customer-company interactions.

The Significance of Strategically Constructed Silos for S-D Logic, CEM and CRM

Strategically Constructed Silos and S-D Logic

In essence, people want to acquire the skills and knowledge that they do not have themselves, as expressed by Lusch et al., “[A]ppplied knowledge for another party’s benefit is exchanged for service” (2007, p. 7). As means of example, Olive said:

I know some stores cut tile, and it would be more work for us, but a lot of customers would like just some simple cuts. If you just had a few tiles that needed to be cut, that might be nice if we could get training on that and that way, customers don’t have to buy or rent a tile saw.

In this scenario, it is clear that while the customer is buying tile, the specialized skills, knowledge, and competence that comes from tile cutting in-store might improve the co-created value for both firm and customer. The firm would receive additional revenue from a tile cutting fee, and the customer would receive correctly cut tile. For this non-routine task requiring specialized knowledge, strategically constructed silos may be of benefit to the customer-company interaction and in line with the tenets of S-D logic, CEM and ultimately, CRM initiatives.

While S-D logic recognizes that today’s market structure results in a waning impact and indirect connection to customers over time, this relates to Webster’s (1992) notion that because of the growth of vertical marketing systems and pervasiveness of

large bureaucratic organizations, most employees have stopped interacting with customers. Because of this, the “skills-for-skills (services-for-services) nature of the exchange became masked” (Vargo & Lusch, 2004, p. 8).

If we consider a simple example of a call center in today’s current context, it is easy to understand that the design, development, and delivery of scripts, systems, and processes require specialized skills. The processes within the call center involve various steps and stages with key components and skilled labor involved in only one piece of the whole, for instance, the development of training materials to guide call center agent actions. Following this logic, the training function may be optimized when specialized skills (at the micro level) are disaggregated, compartmentalized, and distinct, but this can result in complex hierarchical structures, like silos, and an ever-increasing disconnect from customers. Dan explained it this way: “That was the great thing about having the call center here...you didn’t have the red tape...” The implications of Dan’s comments are that the managers guiding the actions of strategic business units tend to be disconnected and distant from customers and contained within a strategically constructed decision silo. This can result in overly-complex processes being insinuated into work flows that mask the true nature of the service provision; in this example, responsive and knowledgeable agents to efficiently and effectively handle customer inquiries for the ultimate booking and delivery of an in-home professional service.

Going one step farther, Lusch et al. (2007) argued that neither service nor goods are the primary source of competitive advantage. Rather, “operant resources, especially ‘know-how,’ are the essential component of differentiation” (Lusch et al., 2007, p. 7) and long-term competitive advantage. Participant Donna expressed it this way:

[...] when you can help them [customers] accomplish their goal and their goal is to build or fix their project. Or be able to improve their project or fix what needs to be fixed. And it is really good when an associate knows how to fix it or has done it. They really like it when you take them to a product they need and talk to them about it and what they are buying and explain to them the things about the product. These are things that impress the customer.

Donna's comment seems to suggest that a product enmeshed with the knowledge and expertise of the retail employee is at the heart of customer satisfaction and service. She appears to understand the difference between selling a product, and selling the product with additional knowledge or "tips for use" that the customer can use and that establishes her as the value differential.

With training and product knowledge Donna's principal concern, she seems to intuitively grasp the benefits that can come from having all employees trained to handle these types of customer inquiries rather than having only a few well-trained employees able to respond. While her manager James does not seem to appreciate the need for additional training for Donna, it is interesting to note that he attributes the store's success to a broad and well-trained crew. James explained how this worked for his team at the store when he said, "[...] when somebody comes in, it doesn't matter what, we find the solution somewhere in the store. There are a lot of things that we don't sell that somebody will bring in and we'll have something similar and modify it." This thinking by James indicates a recognition and appreciation for what he and his team are selling: solutions rather than products. This implies an underlying aspect of service as highlighted in S-D logic.

However, it is with wonder that we ponder how James determines who should be trained to "find the solution" when the customer comes into the store. Perhaps due to a strategically constructed knowledge silo, James is no longer able to "see" the disparity of

knowledge his own employees have, but rather just views the silo employees and their ability to “find the solution.” Perhaps because Donna doesn’t currently work in a service silo, James perceives that she is not “mission critical” or in need of more training. However, as the data have shown, for those interactions requiring general knowledge, Donna should be well-versed to answer the inquiry of any customer in order to provide a positive customer experience. Therefore, managers must see beyond the existing silos by dissecting interactions based on the degree of specialized knowledge needed and the “routine-ness” of the task performed in order to adequately design and implement customer service protocols.

Strategically Constructed Silos and Co-Creation of Value

In the last decade or so, companies seem to be glimpsing the value that a co-creation mindset can yield. Marketing products to only those customers who qualify creates value by not disappointing or frustrating customers who may not qualify. Likewise, encouraging “co-creation” through the simple use of self-service technologies like customer-use scanners in grocery stores is another example of co-creation. Vargo and Lusch argue that:

Goods are appliances that provide services for and in conjunction with the consumer. However, for these services to be delivered, the customer still must learn to use, maintain, repair, and adapt the appliance to his or her unique needs, usage situation, and behaviors... in using a product, the customer is continuing the marketing, consumption, and value-creation and delivery processes. (2004, p. 10)

This implies a long-term proposition for customer and company interactions whereby a customer’s *use* of the product or service is as pivotal as the initial transaction.

Understanding what customers want and providing information for use may improve the

relationship between customer and company. As Kim explained, “Listen to what the customer actually wants instead of what you want to hear.” This uncovers a central theme within S-D logic: reciprocity. For instance, “[...] the enterprise can only offer value propositions; the consumer must determine value and participate in creating it through the process of coproduction” (Vargo & Lusch, 2004, p. 11). Brett said it this way: “[...] we can’t be everything to everybody. So I really want to get some rebranding in place so everyone on our side is very clear about who we are and what we represent and then we can communicate that to our customers.” Whatever rebranding Brett puts in place for his business, it seems clear that he controls only one side of the communication process: determining what to say and then saying it. How customers perceive this communication and what value they place upon it, is entirely in their hands and minds.

While companies cannot control what value or meaning customers attach to their communication, S-D logic implies that the communication itself is always customer-centric and focused on relationship development; implying a long-term prospect.

In a service centered model, humans both are at the center and are active participants in the exchange process. What precedes and what follows the transaction as the firm engages in a relationship (short- or long-term) with customers is more important than the transaction itself. (Vargo & Lusch, 2004, p. 12)

Josh expressed it this way: “[...] if there was a process I could change it would be the absolute detachment of companies from their customers because of not having that personal touch, that personal service, or that personal thank you card – that is gone.” Josh appears to recognize the value of personal connections (relationship) and from this recognition springs the motivation to be of service to customers in both a direct and personal manner. With customers at the core of everything he considers and ultimately

implements, Josh believes the relationship between his company and the customers he serves will be strengthened. Yet strategically constructed silos that convert a routine interaction to a non-routine interaction through the insinuation of additional procedures or processes tend to only serve companies, not customers.

This is a key distinction that exists between those companies that are customer-centric and those that are not – customer-centric companies are designed to serve customers rather than just sell products (Rust et al., 2010). These authors go on to say “As managers shift their focus to customers, and customer information increasingly drives decisions, organizational structures that block information flow must be torn down” (p. 4). However, while most organizations proclaim the importance of, and their commitment to customers, “Their knowledge and expertise are housed within organizational silos, and they have trouble harnessing their resources across those internal boundaries in a way that customers truly value and are willing to pay for” (Gulati, 2007, p. 100). As shown in the data, commonly these silos are *strategically constructed* by the very management teams professing their commitment to customers; with these silos serving organizations, not customers.

While the “...organization exists to serve society and themselves through the integration and application of resources” (Lusch et al., 2007, p. 7), the true value creation comes from a context of “networks of networks” (Vargo & Lusch, 2008, p. 7). Meaning, while organizations must think beyond the constraints of their own enterprise to the consumer, community, and marketplace, it is actually through the interrelatedness of groups of actors that value is sourced and maximized. A network perspective might involve the interrelated relationships that exist between the consumer and the various

parties involved in providing the service. This interrelatedness creates a close link between specialization, exchange, networks, and interaction.

[A]s the division of labor increased, another important development occurred – the connectedness of individuals. As each person specializes we become more dependent and connected to others. Thus both the extent of the market and the density of the network of interconnections is a function of the divisions of labor in society. (Lusch & Vargo, 2006, p. 411)

Furthermore, companies must remain focused on the co-creation of value with customers, community, and the marketplace in order to maximize competitive advantage. This focus must heed the needs of customers *and* employees. By considering the degree of specialized knowledge needed by employees to serve customers and the “routine-ness” of the task being performed, organizations may be better positioned to implement service protocols that help to keep their employees and customers satisfied and their service provision intact. S-D logic is “philosophically grounded in a commitment to collaborative processes with customers, partners, and employees” (Lusch et al., 2007, p. 5).

This idea of collaborative processes emerged in regard to relationships and their variability as retail employees shared their experiences, perceptions, and frustrations.

Rebecca said it this way:

Sometimes I feel like there is a disconnect between what we hear and what higher management can deliver. And that is where a little disconnect comes in. One of my frustrations is that my experience in the field doesn’t feel as valued as it used to.

Under S-D logic, Rebecca is a collaborative partner that through her own lived experience, questions the current culture at the company. Rebecca seems to be describing a strategically constructed decision silo and how it has created a degree of dissatisfaction for her in particular. Rebecca suggests that the processes are not collaborative and do not

value the experience that retail employees like Rebecca can bring to the discussion and collaboration.

*The Impacts of Strategically Constructed Silos
on CEM and CRM*

While RM and CRM are often used interchangeably in the literature, Ryals and Payne (2001) suggested that RM centers on the relationships between multiple stakeholders, while the concept of CRM focuses primarily on the customer. CRM relies on value-added knowledge fluidly permeating the firm to allow all stakeholders to develop appropriate relationships with customers. To achieve fluid permeation of knowledge, CRM innovation requires energy, focus, training, and investment in new tools and software to aid in the development of value-added CRM systems. The efficacy of such systems is their ability to achieve alignment of the people, processes, and technologies of a company with its strategic intent to maintain and enhance customer relationships and create value. “Traditionally, CRM has been about breaking down silos by integrating sales, service, and marketing. This can build a silo of its own” (Lager, 2005, p. 50) if the CRM becomes separate itself. Accordingly, when silos are implemented under suboptimal conditions, they inherently constrain the flow, access, and availability of information across the organization, thereby rendering CRM ineffective.

Because of the nature of silos, it may be understandable that retail employees perceive that not all stakeholders are valued equally. For retail employees, they see themselves at the bottom; with management, vendors, customers, and shareholders all receiving value “ahead” of employees. It is common for participants to talk about how all stakeholders should be considered when implementing strategies and tactical new programs, but John expressed this best:

We need to build value and I wouldn't say *for* customers, I would say *with* customers. Because we should be building value for ourselves too. It is this idea that the value an employee builds for themselves, like commissions or bonuses - it cannot outstrip a customer's value like getting better service, lower prices, good product knowledge from employees... and the customer getting value can't outstrip the value employees get. It is this idea that well, we want to maximize our ability to create value with customers.

John appears to highlight a situation that is in alignment with S-D logic and is promising for effective CEM and CRM initiatives: the co-creation of value for both customers and the company. In fact, "One opportunity for organizations to compete through service is to identify innovative ways of co-creating value. Interactivity and doing things with the customer versus doing things to the customer is a hallmark of S-D logic" (Lusch et al., 2007, p. 11). Therefore, "When the value-creation process involves coproduction between vendor and client, the marketer of a successful collaboration is customer satisfaction, and the measure of satisfaction is continuity of the relationship, as Vargo and Lusch (2004) note" (Bolton, 2004, p. 20).

MANAGERIAL RECOMMENDATIONS

As highlighted previously, not all customer-company interactions are alike. The role that routine (or non-routine) tasks play is secondary to the degree of specialized knowledge needed by retail employees. Understanding the various interaction types and how the interaction type may be affected by silos and service specialists is crucial for designing customer experiences that will sustain over time. As shown in Figure 13 (p. 134), the importance of diagnosing customer-company interaction types correctly and subsequently developing strategies to support these interactions will be critical for both CEM initiatives and CRM system design within the company.

“The value of the customer and customer management strategies are interlinked and a straightforward analysis of the value of the custom leads to a change in customer management strategies” (Ryals, 2005, p. 260). Therefore, strategic consideration should be imposed on each quadrant of Figure 13 independently to customize CEM initiatives (and resultant CRM system design) based on this 2 x 2 factor grid. This results in specific managerial recommendations for each quadrant as will be discussed in the following section.

Automate: Process-Centric

Considering interactions requiring specialized knowledge, those that are routine in nature may benefit from an element of technology-enabled automation. For instance, in the case of Brian’s wood renewal business, bidding each job requires specialized knowledge to profitably price the service while also providing value to the customer. It is advantageous in this quadrant to avoid the creation of a silo in which Brian is the only

employee able to bid jobs. Therefore, automating the bidding process through the standardization of “bidding steps” via a systematic and standardized procedure should help to reduce the reliance of the company on Brian. By embedding this knowledge into automated tools, this process is opened to others within the business, thereby expanding the capacity of the firm. In this situation, it appears that, “Technology can make a major contribution to achieving an outstanding customer experience” (Payne & Frow, 2004, p. 533).

Thinking beyond the examples provided within the data of this study, consider the case of a medical office. While the submission of insurance claims for services provided is a routine occurrence throughout each day, some degree of specialized knowledge of the various insurance companies and their respective plans and service limits is needed. However, it is easy to imagine how this specialized knowledge could be embedded through technology-enabled tools to allow many employees within the office to perform this task, thus minimizing the chance of a silo to form with resultant service specialists within the silo. Chen and Popovich (2003) argued that technology “...assists with the re-design of a business process by facilitating changes to work practices and establishing innovative methods to link a company with customers, suppliers and internal stakeholders” (p. 677). Accordingly, the strategic implications for this quadrant rely on the ability of a company to automate the processes within routine interactions that require some degree of specialized knowledge as a means to better link all stakeholders. This idea supports the work of Berry (1995) in which he argues that information technology “enhances the practical value of relationship marketing by efficient performance of key tasks” such as “personalizing service encounters” and “minimizing the probability of

service errors and breakdowns” (p. 238). The recommended strategic focus for this quadrant is shown below in Figure 14.

	Routine	Non-Routine
Specialized Knowledge	AUTOMATE Process-Centric	
General Knowledge		

Figure 14. Strategic implications of routine transactions requiring specialized knowledge.

Through the automation of interactions, CRM systems design is more likely to capture the necessary knowledge for effective relationship development. Meaning, in a scenario with no automation, Brian remains as one of few subject matter experts in bidding jobs. Because this function is reliant on the (tacit) knowledge within Brian’s head, it is unlikely that all components of the job bid will be captured in a formal manner. Therefore the job bid detail will not be available for other employees to utilize in their interactions with this same customer. This could result in gaps of information between Brian and the wood renewal technician that will actually perform the work and may limit the ability of the company to follow up via CRM systems over time, thus constraining the value creation between company and customer.

Control: Company-Centric

Reflecting back on the nature of non-routine interactions requiring specialized skills and knowledge, such as with hairstylists like Marcy, it may be counter-intuitive to consider the focus of this quadrant company-centric. However, while silos (such as Marcy) add value to the customer-company interaction and help aid in the formation and sustainability of the relationship, company-centric focus is important to ensure that the relationship forms between the company/brand/location, rather than with a specific individual service specialist such as Marcy. Therefore, while value is created for the customer through their access to a specialist, the value to the company comes from controlling the relational aspects of future interactions and follow-up. Maintenance of a relationship between a customer and company are highly dependent on the actions of retail employees (Gummesson, 1987). Reichheld (1994) argues that these interactions often build bonds between the customer and retail employee rather than the company. Therefore, the strategic implications for this quadrant rely on the ability of a company to control the linkage between customer and company and the resultant relationship development that comprise these non-routine interactions that require specialized knowledge, as shown in Figure 15.

Controlling the data (e.g. customer information) that results from interactions in this quadrant is a key aspect of CRM systems design. Based on the specialized knowledge required and the non-routine nature of the interaction, this quadrant may present both the highest degree of risk and benefit for customers and companies with regard to customer-company interactions that occur over time through CEM initiatives

	Routine	Non-Routine
Specialized Knowledge		CONTROL Company-Centric
General Knowledge		

Figure 15. Strategic implications: non-routine transactions requiring specialized knowledge.

and CRM systems. This may be due to higher expectations on the part of the customer due to the nature of the interaction, and a higher degree of connection that may result between individual service specialists and the customer. Previous research supports this notion and Beatty et al. (1996) suggested that bonds tend to form between the employee and customer rather than the customer and firm. Without effective CRM systems in place to capture, analyze, and fluidly disseminate customer information across and within the firm, the greater the risk is that the relationship will not transcend a one-to-one connection between service specialist and customer; therefore creating risk of customer defection when the employee changes jobs within the company or worse yet, seeks employment elsewhere. Therefore, a company-centric focus should work to guard against threats to the most valuable asset of CRM systems: customer data. Suggestions for this might include working to build connections between and across a broad set of specialists and customers to minimize the risk of interruptions to the one-on-one relationship, or to foster better employee satisfaction and retention (Guenzi & Pelloni, 2004).

Empower: Employee-Centric

Retail employees working in jobs requiring general knowledge for routine customer interactions describe the challenges that they face as coming from one of three primary sources: their lack of knowledge, their lack of control, or management's lack of focus. In essence, many employees in this study feel at times ill-equipped to handle even routine interactions with customers. Many cite training and product knowledge as a key factor affecting them and believe that the company should provide more training, or make current training better. Palmatier et al. (2006) argued that the selection and training of employees (boundary spanners) is critical as is their expertise, communication and likeness to customers (p. 151). The recommendation of improving the expertise and training of employees supports Vargo and Lusch's (2004) premise that "skills and knowledge" are the most important attributes for value creation in customer-company interactions. Without improved knowledge, employees may feel like they will always have to rely on other more experienced employees to handle customer inquiries or issues. Fundamentally, this describes a silo effect with only certain employees fully able to interact with customers.

The silos occurring for routine interactions requiring general knowledge seem to be the most pervasive in this study and also the most detrimental to employee morale and confidence. This may be due in part to a lack of appreciation for generalist skills. Gulati (2007) argued that "In many companies, especially those organized around products, employees aren't rewarded for being generalists. Organizations that succeed in delivering solutions, however, invest significant time and resources in developing generalists" (p. 105). While this organizational investment may include training, it also underscores the

need to provide adequate authority and decision-making ability to employees in order for them to fully serve customers with confidence.

For instance, at play in this quadrant is employee uncertainty about what they are “allowed” to do during interactions. Olive provided a great example when she wondered if she could make product recommendations to a customer without making the managers or vendors mad. This uncertainty undermines her ability to build value for the customer and ultimately for the company. Therefore, this quadrant demands a strategic focus that is employee-centric and designed to empower all customer-facing employees to effectively serve customers, as shown in Figure 16.

	Routine	Non-Routine
Specialized Knowledge		
General Knowledge	EMPOWER Employee-Centric	

Figure 16. Strategic implications of routine transactions requiring general knowledge.

Empowerment in this area means that employees have the ability to adapt their own processes and procedures based on customer interactions (Arnett & Badrinarayanan, 2005). This adaptation allows for process improvement and Arnett and Badrinarayanan (2005) suggested that this type of empowerment is related positively to the application of knowledge. Likewise, Plakoyiannaki et al. (2008) provided evidence also supporting the positive effect of empowerment on an employee’s ability to contribute to “...the

information and value creation sub-processes of CRM” (p. 273). From this insight, we see that by distributing knowledge, the service silo within this quadrant would deteriorate, thus leaving employees more in control of their service encounters with customers.

Additionally, from the data, it appears that balance and consistency are required to create stability within and across the value-chain. Without balance, the organization may be challenged to deliver against expectations and performance-based results. “To achieve the ultimate objective of CRM, the delivery of shareholder results, the organization should consider how to build employee value, customer value, and shareholder value and how to reduce costs” (Payne & Frow 2005, p. 174). Therefore, if management’s focus is not consistent, the organization may lack “decision stability,” resulting in “flavor of the month” programs. For instance, Brett described this as, “Just muddling along. Throwing a lot of things against the wall and seeing what sticks.”

“Organizations can reinvent themselves as ‘service’ organizations and develop a service culture by treating employees as the type of resources they are – pure operant resources, rather than operand resources” (Lusch et al., 2007, p. 15). Lusch et al. (2007) pointed to the role that knowledge, training, and education play in this quadrant and posit that employees can develop new competencies that aid in competitive advantage when the employees are supported through training and education.

Information silos are more than just inefficient, they hinder a company’s ability to serve customers and succeed with its strategy. Without a unified view of the customer, marketing, sales, and service/support departments will all be working in the dark, chasing goals that don’t fulfill the organization’s broader ones. (Lager, 2005, p. 52)

Likewise, if decisions or protocols require more energy on the part of customers, customers may simply opt out. Noble and Phillips (2004) found that “initiation issues seemed prominent in consumers’ decisions regarding whether to engage in a relationship or not. Long lines, long forms, or just the time commitment required to initiate the relationship deterred consumers” (p. 300).

Cooperate: Customer-Centric

Loosely defined, cooperation requires coordinated actions be undertaken by organizational partners to achieve a common goal and with a certain degree of expected reciprocity (Bordonaba-Juste & Polo-Redondo, 2008). Yet, without alignment between the goals of service-seeking customers and the internal measures for employee performance, CEM initiatives and CRM systems are likely to be suboptimal.

“Disconnected views of customers can be caused by disparities in an organization created by system and organizational boundaries, which can result in negative customer experience and the loss of opportunities for the firm” (Chan, 2005, p. 33).

Considering the role that ego and fear play in the sharing of information within and across silos, cooperation should be the key strategic concern within this quadrant that requires general knowledge for non-routine transactions. “Customer-centric companies live by a set of values that put the customer front and center, and they reinforce those values through cultural elements, power structures, metrics, and incentives that reward customer-focused, solutions-oriented behavior” (Gulati, 2007, p. 103). Without a cooperative spirit, silos are unlikely to break down and customers will be served sporadically based on whether they connect with service specialists (in silos) for non-routine interactions. Raman et al. (2006) argued that companies must “focus on building

a team orientation and bringing various units of the company together” (p. 50) in order to fully capitalize on current and future interactions. Once teams are established and cooperating, additional benefits come. Majchrzak and Wang (1996) have long argued that “People who feel collectively responsible are willing to work especially hard to avoid letting the team down. They will take the initiative in offering a colleague a helping hand with a work problem even though doing so might make it more difficult for them to meet their own deadlines” (p. 95).

To prevent and break down silos in this quadrant, it is recommended that management abolish individual performance measures and incentives and instead rely on team-based results to encourage and motivate information sharing. Previous research supports this notion (Majchrzak & Wang, 1996; Ready, 2004). Bolton et al. (2007) argued that over multiple interactions with a company, customers’ perception of service will be based on how widespread they believe good or bad service is; therefore, it is incumbent upon the company “to reduce variability in service quality across consumption experiences” (p. 3). Until the service silo and resultant service specialists are eliminated, service variability will be difficult to influence.

Only when the team is performing at adequate levels will the power of the silo in this quadrant loosen its grip on employee emotions. As long as information “hoarding” is rewarded (e.g. individual incentives or bonuses), employees will not be willing to share knowledge, information, or tactics with which to effectively interact with customers. “Plans for cross-platform collaboration often get undone not at the executive level but below, where individual incentives and career goals are tied to unit results” (Ready, 2004, p. 98). By using the customer as pathfinder and guide for establishing performance

standards, it should be easy to demonstrate how all employees should be prepared to handle even non-routine interactions that require general knowledge. Until that level of service is reached, the company will be unable to truly co-create value with customers. Therefore, the strategic mission for this quadrant must be raising the level of cooperation and sharing between the retail employees tasked with serving customers, as shown Figure 17.

	Routine	Non-Routine
Specialized Knowledge		
General Knowledge		COOPERATE Customer-Centric

Figure 17. Strategic implications of non-routine transactions requiring general knowledge.

Without a cooperative spirit and corresponding performance metrics for employees, CEM initiatives and CRM systems are at risk. “[I]f CRM is implemented in a way that leads consumers to believe that they are worse off, firms can put themselves at substantial risk. Information reciprocity can break down, and consumers may ultimately choose to opt out of relationships” (Boulding et al., 2005, p. 159). Likewise, if employees believe that they are worse off due to the constraints imposed by silos and the resultant measures of performance, they too are likely to “opt out” through sub-standard performance or defection from the company. Berry, Parasuraman, and Zeithaml (1994) suggested that having cooperation with fellow employees is an important factor in

sustaining an employee's motivation to serve customers. In sum, the strategic implications for each quadrant are shown in Figure 18.

	Routine	Non-Routine
Specialized Knowledge	AUTOMATE Process-Centric	CONTROL Company-Centric
General Knowledge	EMPOWER Employee-Centric	COOPERATE Customer-Centric

Figure 18. Summary of strategic implications for customer-company interactions.

CONCLUDING REMARKS

Silos in suboptimal conditions cannot create effective or efficient operations because often development efforts are “piecemeal, focused on particular skills and challenges” (Ready, 2004, p. 97) therefore, they do not adequately prepare the employee or organizational unit to take on broader roles. With development confined within specific silos, knowledge is disseminated deeply but lacks the scope and power to improve the experience for customers *across* units, departments, or interactions.

This work contributes to the field by applying the concept of strategically constructed silos and their broad consequences and implications for practice beyond retailing. “To stand out in a commoditized market, companies must understand what customers truly value. The only way to do that is to break down the traditional, often entrenched, silos and unite resources to focus directly on customer needs” (Gulati, 2007, p. 108). In addition, this work contributes to the knowledge base regarding descriptive accounts from the concentration site in particular that help to shed light on customer-company interactions through the perceptions of retail employees. Specifically, this work contributes by identifying what customers like and dislike about customer-company interactions. This includes: an inviting atmosphere (or advertising for non brick-and-mortar businesses), convenient locations (or multiple channels for interaction), good assortment (or menu of services), access to friendly, knowledgeable employees, and of course, value.

From a company perspective, employees perceive the need to develop, extend, and leverage the relationship with customers as their primary mission. However, certain factors affect their ability to form relationships and sustain these relationships with

customers over time. Specifically, employees perceive that they lack control over the relationship due to factors such as: pressure for cross-selling, scripted interactions, training and product knowledge, technology, and the product/service offering. While this study contributes in these areas, this work also identifies employees' inability to discern between their service beliefs and service in action. This finding highlights the limited ability of employees (and often companies) to clearly identify areas needing service improvement.

The theory of strategically constructed silos and their impact on customer service contributes to the field by illustrating the presence and consequence of silos occurring in suboptimal conditions. The existence of silos has implications that extend far beyond the retail area. A key take-away from this research is that contrary to how most customer service processes are designed, not all customer-company interactions are alike. As shown in the data, interaction types vary both in regard to the degree of knowledge needed by retail employees to fully serve customers, and the routine or non-routine nature of the interaction. This is an important finding since it directly relates to whether the existence of a silo is appropriate (or optimal) for a specific interaction or task. Additionally, the findings suggest the role that a task's "routine-ness" plays is secondary to the degree of specialized knowledge needed by retail employees to meet customer expectations. Silos appear to be a common phenomenon in organizations and can contribute either positively or negatively to customer-company interactions. The effects of silos on customer-company interactions are significant and these effects have many implications for academics and practitioners alike.

Most instances in the data seem to imply that silos create a negative effect on customer-company interactions such as services provided by call center agents, retail service desks, or in-home service providers. However, instances in the data indicate that silos might aid in positive customer-company interactions and in the development of relationships between the company and the customer it serves. Examples of this positive effect include the services provided by hairstylists, the artisan work of wood renewal technicians, and the speedy service recovery provided within a store. The evidence for whether silos help or hurt customer-company interactions is related to two ideas: (1) whether the retail employee needs specialized knowledge to serve the customer, and (2) whether the interaction is routine or non-routine in nature.

Peeling away the layers of cause and effect surrounding the formation and justification of silos, the data reveals only one business condition that seems to consistently indicate a positive effect of silos on customer-company interactions: when specialized knowledge is needed in non-routine interactions. From a broader perspective, the data suggest that silos are more likely to result in a suboptimal effect on customer-company interactions that require only general knowledge. Based on the data, this conclusion holds true regardless of whether the interaction is routine or non-routine in nature. Likewise, the data suggest that silos are also more likely to result in a suboptimal effect on customer-company interactions that require specialized knowledge for routine transactions.

In line with previous research, “relationship marketing is typically more effective when relationships are critical to customers such as for service versus product offerings...” (Palmatier et al., 2006, p. 150). If we consider the customer-company

interaction that occurs through service silos, the customer will typically interact with the silo specialist to resolve issues or due to the need for specialized knowledge. By forcing the customer to a service or knowledge silo, the organization may ultimately be facilitating a relationship between the service specialist and customer rather than between the company and customer.

Likewise, although RM and CRM are often used interchangeably in the literature, Ryals and Payne (2001) suggested that relationship marketing centers on the relationships between multiple stakeholders, while the concept of CRM focuses primarily on the customer. CRM relies on value-added knowledge fluidly permeating the firm to allow all stakeholders to develop appropriate relationships with customers. To achieve fluid permeation of knowledge, CRM innovation requires energy, focus, training, and investment in new tools and software to aid in the development of value-added CRM systems. The efficacy of such systems is their ability to achieve alignment of the people, processes, and technologies of a company with its strategic intent to maintain and enhance customer relationships and create value. “Traditionally, CRM has been about breaking down silos by integrating sales, service, and marketing. This can build a silo of its own” (Lager, 2005, p. 50) if the CRM becomes separate itself. Accordingly, when silos are implemented under suboptimal conditions, they inherently constrain the flow, access, and availability of information across the organization, thereby rendering CRM ineffective.

Understanding the various interaction types and how each interaction type may be affected by silos is crucial for designing customer experiences that will sustain over time. The importance of diagnosing customer-company interaction types correctly and

subsequently developing strategies to support these interactions is critical for both CEM initiatives and CRM system design within the company. “CRM software could evolve to CEM (customer experience management) software in recognition of the central role of customer experiences” (Lusch et al., 2007, p. 11). This work provides an overview of the strategic implications of silos occurring in suboptimal conditions and recommends a strategy for diagnosing interactions and designing protocols for effective customer-company interaction programs for virtually any organization, industry, or situation.

While many of these recommendations use illustrations directly tied to the retail segment, it is easy to imagine how the impact of silos may be similar in situations well beyond the confines of retail. Simple work flow in a company’s functional departments could be redesigned to improve the interaction with key stakeholders such as shareholders, customers, vendors, and employees by correctly diagnosing the tasks requiring specialized versus general knowledge and following the strategic guidelines presented in Figure 18 (page 159). The theory of strategically constructed silos and its power is reflected in the ubiquitous use of the term *silo* in business settings, and the easy transferability of the concept across time, industries, and specific locations. “Without a unified view of the customer, marketing, sales, and service/support departments will all be working in the dark, chasing goals that don’t fulfill the organization’s broader ones” (Lager, 2005, p. 52). Strategically constructed silos implemented in suboptimal conditions must be torn down to allow the rebuilding of customer-focused organizations.

REFERENCES

- Aaker, D. A. (2008). Marketing in a silo world: The new CMO challenge. *California Management Review*, 51(1), 144-156.
- Adamson, G., Jones, W., & Tapp, A. (2005). From CRM to FRM: Applying CRM in the football industry. *Database Marketing and Customer Strategy Management*, 13, 156-172.
- Adebanjo, D. (2003). Classifying and selecting e-CRM applications: an analysis-based proposal. *Management Decision*, 41, 570-577.
- Alvesson, M., & Willmot, H. (1996). *Making Sense of Management*. London: Sage.
- AMA. (2008). American Marketing Association Web site. Retrieved October 23, 2008 from: http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=M
- Arnett, D. B., & Badrinarayanan, V. (2005). Enhancing customer-needs-driven CRM strategies: core selling teams, knowledge management competence, and relationship marketing competence. *Journal of Personal Selling and Sales Management*, XXV(4), 329-343.
- Bäckström, K., & Johansson, U. (2006). Creating and consuming experiences in retail store environments: Comparing retailer and consumer perspectives. *Journal of Retailing and Consumer Services*, 13, 417-430.
- Bagozzi, R. P. (1974). Marketing as an organized behavioral system of exchange. *Journal of Marketing*, 38(4), 77-81.
- Baker, J., Parasuraman, A., Grewal, D., & Voss, G. B. (2002). The influence of multiple store environment cues on perceived merchandise value and patronage intentions. *Journal of Marketing*, 66, 120-141.
- Barker, C. (2007). Gartner sees steady CRM growth, ZDnet, September. Retrieved November 8, 2008, from <http://news.zdnet.co.uk/software/0,10000000121,392891177,00.htm>.
- Bartikowski, B. (2006). Critical events and next best activities in relationship marketing: Best practices beyond advanced analytics. *Global Business and Organizational Excellence*, November/December, 65-70.
- Bartoli, A., & Hermel, P. (2004). Managing change and innovation in IT implementation process. *Journal of Manufacturing Technology Management*, 15, 416-425.
- Beatty, S. E., Mayer, M., Coleman, J. E., Reynolds, K. E., & Lee, J. (1996). Customer-sales retail employee retail relationships. *Journal of Retailing*, 72(3), 223-247.

- Bendapudi, N., & Berry, L. L. (1997). Customers' motivations for maintaining relationships with service providers. *Journal of Retailing*, 73(1), 15-37.
- Bentum, R. V., & Stone, M. (2005). Customer relationship management and the impact of corporate culture – A European study. *Database Marketing and Customer Strategy Management*, 13, 28-54.
- Berry, L. L. (1995). Relationship marketing of services: Growing interest, emerging perspectives. *Journal of the Academy of Marketing Science*, 23, 236-245.
- Berry, L. L., Carbone, L. P., & Haeckel, S. H. (2002). Managing the total customer experience. *MIT Sloan Management Review*, Spring, 85-89.
- Berry, L. L., and Parasuraman, A. (1991). *Marketing services: Competing through quality*. New York: The Free Press.
- Berry, L. L., Parasuraman, A., & Zeithaml, V. A. (1994). Improving service quality in American: Lessons learned. *Academy of Management Executive*, 8(2), 32-45.
- Bitner, M. J. (1995). Building service relationships: It's all about promises. *Journal of the Academy of Marketing Science*, 23(4), 246-251.
- Bitner, M. J., Booms, B. H., & Mohr, L. A. (1994). Critical service encounters: The employee's viewpoint. *Journal of Marketing*, 58, 95-106.
- Blery, E., & Michalakopoulos, M. (2006). Customer relationship management: A case study of a Greek bank. *Journal of Financial Services Marketing*, 11, 116-124.
- Bose, R. (2002). Customer relationship management: key components for IT success. *Industrial Management and Data Systems*, 102, 89-97.
- Bolton, R. N. (2004). Invited commentaries on 'Evolving to a New Dominant Logic for Marketing.' *Journal of Marketing*, 68(January), 18-27.
- Bolton, R. N., Grewal, D., & Levy, M. (2007). Six strategies for competing through service: An agenda for future research. *Journal of Retailing*, 83(1), 1-4.
- Bordonaba-Juste, M. V., & Polo-Redondo, Y. (2008). Differences between short and long-term relationships: An empirical analysis in franchise systems. *Journal of Strategic Marketing*, 16(4), 327-354.
- Boulding, W., Kalra, A., Staelin, R., & Zeithaml, V. A. (1993). A dynamic process model of service quality: From expectations to behavioral intentions. *Journal of Marketing Research*, XXX, 7-27.
- Boulding, W., Staelin, R., Ehret, M., & Johnston, W. J. (2005). A customer relationship

- management roadmap: What is known, potential pitfalls, and where to go. *Journal of Marketing*, 69, 155-166.
- Bowers, M. R., Martin, C. L., & Luker, A. (1990). Trading places: Employees as customers, customers as employees. *The Journal of Services Marketing*, 4(2), 55-69.
- Broniarczyk, S. M., Hoyer, W. D., & McAlister, L. (1998). Consumers' perceptions of the assortment offered in a grocery category: The impact of item reduction. *Journal of Marketing Research*, XXXV, 166-176.
- Brown, S. (1993). Postmodern marketing. *European Journal of Marketing*, 27(4), 19-34.
- Bull, C. (2003). Strategic issues in customer relationship management (CRM) implementation. *Business Process Management Journal*, 9, 592-602.
- Chan, J. O. (2005). Toward a unified view of customer relationship management. *The Journal of American Academy of Business, Cambridge, March*, 32-39.
- Charmaz, K. (2005). *Grounded theory in the 21st century. Applications for advancing social justice studies*. In N. Denzin & Y. Lincoln (Eds.), *Handbook of qualitative research* (3rd ed., pp. 507-535). Thousand Oaks, CA: Sage.
- Chen, H. M., Chen, Q., & Kazman, R. (2007). The affective and cognitive impacts of perceived touch on online customers' intention to return in the Web-based eCRM environment. *Journal of Electronic Commerce in Organizations*, 5, 69-91.
- Chen, I. J., & Popovich, K. (2003). Understanding customer relationship management (CRM): People, process and technology. *Business Process Management Journal*, 9, 672-688.
- Chen, Q., & Chen, H. M. (2004). Exploring the success factors of eCRM strategies in practice. *Database Marketing and Customer Strategy Management*, 11, 333-343.
- Constantin, J. A., & Lusch, R. F. (1994). *Understanding resource management*. Oxford, OH: The Planning Forum.
- Corner, I., & Hinton, M. (2002). Customer relationship management systems: implementation risks and relationship dynamics. *Qualitative Market Research*, 5, 239-251.
- Creswell, J. W. (1998). *Qualitative inquiry and research design: Choosing among five traditions*. Thousand Oaks, CA: Sage.
- Crosby, L. A., & Johnson, S. L. (2001). Technology: Friend or foe to customer relationships? *Marketing Management*, Nov/Dec, 10-11.

- Cuthbertson, R. W., & Bridson, K. (2006). Online retail loyalty strategies. *International Journal of Information Technology and Management*, 5, 279-294.
- Czepiel, J. A. (1990). Service encounters and service relationships : Implications for research. *Journal of Business Research*, 20, 13-21.
- Denzin, N. K., & Lincoln, Y. S. (2005). The sage handbook of qualitative research (3rd ed.). Thousand Oaks, CA: Sage.
- Fjermestad, J., & Romano, N. C. Jr. (2003). Electronic customer relationship management. Revisiting the general principles of usability and resistance – an integrative implementation framework. *Business Process Management Journal*, 9, 572-591.
- Flavin, C., & Guinalíu, M. (2006). How bricks-and-mortar attributes affect online banking adoption. *International Journal of Bank Marketing*, 24, 406-423.
- Fontana, A., & Frey, J. H. (2005). *The interview. From neutral stance to political involvement*. In N. Denzin & Y. Lincoln (Eds.), *Handbook of qualitative research*, (3rd ed., pp. 695-727). Thousand Oaks, CA: Sage.
- Ford, R. C., & Bowen, D. E. (2008). A service-dominant logic for management education : It's time. *Academy of Management Learning & Education*, 7(2), 224-243.
- Forrester Research (2008). Topic Overview : Customer Relationship Management 2008 (PDF document). Retrieved November 11, 2008, from www.forrester.com.
- Foss, B., Stone, M., & Ekinici, Y. (2008). What makes for CRM system success – or failure? *Database Marketing and Customer Strategy Management*, 15, 68-78.
- Fournier, S. (1998). Consumers and their brands: Developing relationship theory in consumer research. *Journal of Consumer Research*, 24, 343-373.
- Friedman, L. G., & Furey, T. R. (2003). *The channel advantage*. Burlington, MA: Butterworth-Heinemann.
- Frow, P., & Payne, A. (2007). Special issue papers. Towards the 'perfect' customer experience. *Brand Management*, 15, 89-101.
- Fryberg, A., & Jüriado, R. (2009). What about interaction? Networks and brands as integrators within service-dominant logic. *Journal of Service Management*, 20(4), 420-432.

- Gentile, C., Spiller, N., & Noci, G. (2007). How to sustain the customer experience : An overview of experience components that co-create value with the customer. *European Management Journal*, 25(5), 395-410.
- Gephart, R. (2004). Qualitative Research and the Academy of Management Journal. *Academy of Management*, 47, 454-462.
- Glaser, B. G. (1978). *Theoretical sensitivity. Advances in the methodology of grounded theory*. Mill Valley, CA: Sociology Press.
- Glaser, B. G. (2001). *The grounded theory perspective. Conceptualization contrasted with description*. Mill Valley, CA: Sociology Press.
- Glaser, B. G. (2009). The novice GT researcher. *The Grounded Theory Review*, 8(2), 1-21.
- Glaser, B. G., & Strauss, A. L. (1967). *The discovery of grounded theory*. Hawthorne, NY: Aldine De Gruyter.
- Glesne, C. (2006). *Becoming qualitative researchers (third edition)*. Boston: Pearson.
- Goff, B. G., Boles, J. S., Bellenger, D. N., & Stojack, C. (1997). The influence of salesperson selling behaviors on customer satisfaction with products. *Journal of Retailing*, 73(2), 171-183.
- Görsch, D. (2000). The impact of hybrid channel structures on the customer purchase process: A research outline. In *Proceedings of IRIS 123 Laboratorium for Interaction Technology*. University of Trollhättan Uddevalla, Sweden.
- Goulding C. (2002), *Grounded Theory, A practical guide for management, business and market researchers*. SAGE Publications Ltd, ISBN 0-7619-6683-8.
- Greenfield, T. K., Midanik, L. T., & Rogers, J. D. (2000). Effects of telephone versus face-to-face interview modes on reports of alcohol consumption. *Addiction*, 95(20), 277-284.
- Gremler, D. D., & Gwinner, K. P. (2008). Rapport-building behaviors used by retail employees. *Journal of Retailing*, 84(3), 308-324.
- Grewal, D., Comer, J. M., & Mehta, R. (2001). An investigation into the antecedents of organizational participation in business-to-business electronic markets. *Journal of Marketing*, 65(July), 17-33.
- Grewal, D., Levy. M., & Kumar, V. (2009). Customer experience management in retailing: An organizing framework. *Journal of Retailing*, 85(1), 1-14.

- Grönoos, C. (1994). From Marketing Mix to Relationship Marketing: Towards a paradigm shift in marketing. *Management Decision*, 32, 4-20.
- Grönroos, C. (1997). Value-driven relational marketing: From products to resources and competencies. *Journal of Marketing Management*, 13, 407-419.
- Guenzi, P., & Pelloni, O. (2004). The impact of interpersonal relationships on customer satisfaction and loyalty to the service provider. *International Journal of Service*, 15, 365-384.
- Gulati, R. (2007). Silo busting. How to execute on the promise of customer focus. *Harvard Business Review*, May, 98-108.
- Gummesson, E. (1987). The new marketing: Developing long-term interactive relationships. *Long Range Planning*, 20(4), 10-20.
- Gummesson, E. (1994). Making relationship marketing operational. *International Journal of Service Industry Management*, 5, 5-20.
- Gummesson, E. (2004). Service provision calls for partners instead of parties. *Journal of Marketing*, 68(January), 20-21.
- Gummesson, E. (2005). Qualitative research in marketing. Road-map for a wilderness of complexity and unpredictability. *European Journal of Marketing*, 39(3/4), 309-327.
- Hagel III, J., & Brown, J. (2005). Productive friction. *Harvard Business Review*, 83(2), 82-91.
- Hansotia, B. (2002). Gearing up for CRM: Antecedents to successful implementation. *Journal of Database Marketing*, 10, 121-132.
- Harker, M. J., & Egan, J. (2006). The past, present and future of relationship marketing. *Journal of Marketing Management*, 22, 215-242.
- Hess, R. J., Shankar, G., & Klein, N. M. (2007). Interactional service failures in a pseudo relationship: The role of organizational attributions. *Journal of Retailing*, 83(1), 79-95.
- Hinde, R. A. (1979). *Towards understanding relationships*, London: Academic Press.
- Hollbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: Consumer fantasies, feelings, and fun. *Journal of Consumer Research*, 9(2), 132-140.

- Homburg, C., Wieseke, J., & Bornemann, T. (2009). Implementing the marketing concept at the employee-customer interface: The role of customer need knowledge. *Journal of Marketing*, 73(4), 64-81.
- Huffman, C., & Kahn, B. E. (1998). Variety for sale: Mass customization or mass confusion? *Journal of Retailing*, 74(4), 491-513.
- Isabella, L. A. (1990). Evolving interpretations as a change unfolds: How managers construe key organizational events. *Academy of Management Journal*, 33(1), 7-41.
- Jenkinson, A. (2006). Do organizations now understand the importance of information in providing excellent customer experience? *Database Marketing and Customer Strategy*, 13, 248-260.
- Kapoulas, A., Murphy, W., & Ellis, N. (2002). Say hello, wave goodbye: Missed opportunities for electronic relationship marketing with the financial services sector? *International Journal of Bank Marketing*, 20, 302-310.
- Kazmer, M. M., & Xie, B. (2008). Qualitative interviewing in internet studies. Playing with the media, playing with the method. *Information, Communication & Society*, 11(2), 257-278.
- Kennedy, A. (2006). Electronic customer relationship management (eCRM): Opportunities and challenges in a digital world. *Irish Marketing Review*, 18, 58-68.
- King, S. F., & Burgess, T. F. (2008). Understanding success and failure in customer relationship management. *Industrial Marketing Management*, 37, 421-431.
- Klein, H. Z., & Myers, M. D. (1999). A set of principles for conducting and evaluating interpretive field studies in information systems. *MIS Quarterly*, 23(1), 67-94.
- Kotler, P. (1977). *Marketing management: Analysis, planning, implementation, and control* (3rd ed). Upper Saddle River, NJ: Prentice Hall.
- Kotler, P., Bowen, J., & Makens, J. (2003). *Marketing for hospitality and tourism* (3rd ed). Upper Saddle River, NJ: Prentice Hall.
- Kotorov, R. (2003). Customer relationship management: Strategic lessons and future directions. *Business Process Management Journal*, 9, 566-571.
- Koza, K. L., & Dant, R. P. (2007). Effects of relationship climate, control mechanism, and communications on conflict resolution behavior and performance outcomes. *Journal of Retailing*, 83(3), 279-296.

- Lager, M. (2005). Breaking down the silos. *Customer Relationship Management*, July, 48-52.
- Light, B. (2003). CRM packaged software: A study of organizational experiences. *Business Process Management Journal*, 9, 603-616.
- Lin, C., & Huang, Y. (2007). An integrated framework for managing eCRM evaluation process. *International Journal of Electronic Business*, 5, 340-359.
- Lusch, R. F. (2007). Marketing's evolving identity: Defining our future. *Journal of Public Policy & Marketing*, 26(2), 261-268.
- Lusch, R. F., & Vargo, S. L. (2006). Service-dominant logic: Reactions, reflections and refinements. *Marketing Theory*, 6(3), 281-288.
- Lusch, R. F., Vargo, S. L., & O'Brien, M. (2007). Competing through service: Insights from service-dominant logic. *Journal of Retailing*, 83(1), 5-18.
- Majchrzak, A., & Wang, Q. (1996). Breaking the functional mind-set in process organizations. *Harvard Business Review*, September-October, 93-99.
- Mantrala, M. K., Levy, M., Kahn, B., Fox, E. J., Gaidarev, P., Dankworth, B., & Shah, D. (2009). Why is assortment planning so difficult for retailers? A framework and research agenda. *Journal of Retailing*, 85(1), 71-83.
- McCarthy, E. J. (1960). Basic marketing. Columbus, OH: McGraw-Hill/Irwin.
- Meuter, M. L., Bitner, M. J., Ostrom, A. L., & Brown, S. W. (2005). Choosing among alternative service delivery modes: An investigation of customer trial of self-service technologies. *Journal of Marketing*, 69, 61-83.
- Meyer, M., & Kolbe, L. M. (2005). Integration of customer relationship management: status quo and implications for research and practice. *Journal of Strategic Management*, 13, 175-198.
- Mittal, B., and Lassar, W. M. (1996). The role of personalization in service encounters. *Journal of Retailing*, 72(1), 95-109.
- Neslin, S. A., Grewal, D., Leghorn, R., Shankar, V., Teerling, M. L., Thomas, J. S., & Verhoef, P. C. (2006). Challenges and opportunities in multichannel customer management. *Journal of Service Research*, 9(2), 95-112.
- Noble, S. M., & Phillips, J. (2004). Relationship hindrance: Why would consumers not want a relationship with a retailer? *Journal of Retailing*, 80, 289-303.

- O'Malley, L., & Mitussis, D. (2002). Relationships and technology: Strategic implications. *Journal of Strategic Marketing*, 10, 225-238.
- O'Reilly, K., & Paper, D. (2010). Customer relationship management (CRM): A dichotomy of online and offline activities. In Dr. In Lee (Vol. Ed.) and Julia Mosemann and Rebecca Beistline (Chap. Eds.). *Encyclopedia of E-Business Development and Management in the Digital Economy, Volume II*, 504-513. IGI Global, USA.
- O'Reilly, K., & Paper, D. (2009a). The role of vendor in eCRM tool development. *Qualitative Market Research: An International Journal*, 12(4), 404-427.
- O'Reilly, K., & Paper, D. (2009b). Stakeholder perceptions regarding eCRM: A franchise case study. *Informing Science: The International Journal of an Emerging Transdiscipline*, Volume 12, 191-215.
<http://inform.nu/Articles/Vol12/ISJv12p191-215OReilly527.pdf>
- O'Reilly, K., & Paper, D. (2009c) Customer relationship management (CRM): An approach for transforming the “myth” of success into dual-value creation. *Journal of Information Technology Case and Application Research*, Volume 11(3), (Editorial Preface).
- O'Reilly, K., & Paper, D. (2009d). Juxtaposing customer relationship management (CRM) with an iterative plural form: A case study of stakeholder perceptions. Manuscript submitted for publication.
- Orlikowski, W. J. (1993). CASE tools as organizational change: Investigating incremental and radical changes in systems development. *MIS Quarterly*, September, 309-340.
- Orlikowski, W. J. (1996). Improvising organizational transformation over time: A situated change perspective. *Information Systems Research*, 7(1), 63-92.
- Osarenkhoe, A. (2006). Customer-centric strategy: a longitudinal study of implementation of a customer relationship management solution. *International Journal of Technology Marketing*, 1, 115-144.
- Padmanabhan, B., & Tuzhilin, A. (2003). On the use of optimization for data mining: theoretical interactions and eCRM opportunities. *Management Science*, 49, 1327-1343.
- Palmatier, R. W., Dant, R. P., Grewal, D., & Evans, K. R. (2006). Factors influencing the effectiveness of relationship marketing: A meta-analysis. *Journal of Marketing*, 70, 136-153.

- Pan, S. L., & Lee, J. N. (2003). Using e-CRM for a unified view of the customer. *Communications of the ACM*, 46, 95-99.
- Parvatiyar, A., & Sheth J. N. (2001). Customer relationship management: Emerging practice, process, and discipline. *Journal of Economic and Social Research*, 3(2), 1-34.
- Patterson, A., Hodgson, J., & Shi, J. (2008). Chronicles of 'customer experience': The downfall of Lewis's foretold. *Journal of Marketing Management*, 24(1/2), 29-45.
- Payne, A., & Frow, P. (2004). The role of multichannel integration in customer relationship management. *Industrial Marketing Management*, 33, 527-538.
- Payne, A., & Frow, P. (2005). A strategic framework for customer relationship management. *Journal of Marketing*, 69, 167-176.
- Payne, A., & Frow, P. (2006). Customer relationship management: From strategy to implementation. *Journal of Marketing Management*, 22, 135-168.
- Payne, A. F., Storbacks, K., & Frow, P. (2008). Managing the co-creation of value. *Journal of the Academy of Marketing Science*, 36, 83-96.
- Piercy, N. F. (2002). Research in marketing: teasing with trivia or risking with relevance? *European Journal of Marketing*, 36(3), 350-363.
- Pitta, D., Franzak, F., & Fowler, D. (2006). A strategic approach to building online customer loyalty: Integrating customer profitability tiers. *Journal of Consumer Marketing*, 23, 421-429.
- Plakoyiannaki, E., & Saren, M. (2006). Time and customer relationship management process: Conceptual and methodological insights. *Journal of Business & Industrial Marketing*, 21(4), 218-230.
- Plakoyiannaki, E., Tzokas, N., Dimitratos, P., & Saren, M. (2008). How critical is employee orientation for customer relationship management? Insights from a case study. *Journal of Management Studies*, 45(2), 268-293.
- Porter, M. E. (1987). From competitive advantage to corporate strategy. *Harvard Business Review*, 65(May/June), 43-59.
- Porter, C. E., & Donthu, N. (2008). Cultivating trust and harvesting value in virtual communities. *Management Science*, 54, 113-128.
- Raman, P., Wittmann, M. C., & Rauseo, N. A. (2006). Leveraging CRM for sales: The role of organizational capabilities in successful CRM implementation. *Journal of Personal Selling and Sales Management*, XXVI(1), 39-53.

- Rapp, A., Rapp, T., & Schillewaert, N. (2008). An empirical analysis of e-service implementation: antecedents and the resulting value creation. *Journal of Services Marketing*, 22, 24-36.
- Ready, D. A. (2004). How to grow great leaders. *Harvard Business Review*, December, 92-100.
- Reichheld, F. F. (1994). Loyalty and the renaissance of marketing. *Marketing Management*, 2(4), 10-21.
- Reinartz, W., Krafft, M., & Hoyer, W. D. (2004). The customer relationship management process: Its measurement and impact on performance. *Journal of Marketing Research*, XLI, 293-305.
- Ringberg, R., Odekerken-Schröder, G., & Christensen, G. L. (2007). A cultural models approach to service recovery. *Journal of Marketing*, 71, 194-214.
- Rust, R. (1998). What is the domain of service research? *Journal of Service Research*, 1(November), 107.
- Rust, R., Moorman, C., & Bhalla, G. (2010). Rethinking marketing. *Harvard Business Review*, January-February, 1-8.
- Ryals, L. (2005). Making customer relationship management work: The measurement and profitable management of customer relationships. *Journal of Marketing*, 69, 252-261.
- Ryals, L., & Payne, A. (2001). Customer relationship management in financial services: Towards information enabled relationship marketing. *Journal of Strategic Marketing*, 9, 3-27.
- Saxe, R., & Weitz, B. A. (1982). The SOCO scale: A measure of the customer orientation of salespeople. *Journal of Marketing Research*, 19(August), 343-351.
- Sheth, J. N., & Parvatiyar, A. (1995). Relationship marketing in consumer markets: Antecedents and consequences. *Journal of the Academy of Marketing Science*, 23(4), 255-271.
- Sigala, M. (2006). Culture: The software of e-customer relationship management. *Journal of Marketing Communications*, 12, 203-223.
- Smith, A. D. (2002). Loyalty and e-marketing issues. *Quarterly Journal of Electronic Commerce*, 3, 149-161.
- Sousa, R., & Voss, C. A. (2006). Service quality in multichannel services employing virtual channels. *Journal of Service Research*, 8(4), 356-371.

- Starkey, M., & Woodcock, N. (2002). CRM systems: Necessary, but not sufficient. REAP the benefits of customer management. *Journal of Database Marketing*, 9, 267-275.
- Sturges, J. E., & Hanrahan, K. J. (2004). Comparing telephone and face-to-face qualitative interviewing: A research note. *Qualitative Research*, 4, 107-118.
- Suddaby, R. (2006) What grounded theory is not. *Academy of Management Journal*, 49(4), 633-642.
- Szmigin, I., Canning, L., & Reppel, A. E. (2005). Online community: Enhancing the relationship marketing concept through customer bonding. *International Journal of Service Industry Management*, 16, 180-196.
- Turnbull, P. W., & Wilson, D. T. (1989). Developing and protecting profitable customer relationships. *Industrial Marketing Management*, 18(August), 233-238.
- Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68, 1-17.
- Vargo, S. L., & Lusch, R. F. (2008). Service-dominant logic: Continuing the evolution. *Journal of the Academy of Marketing Science*, 36, 1-10
- Verhoef, P. C., & Langerak, F. (2002). Eleven misconceptions about customer relationship management. *Business Strategy Review*, 13, 70-76.
- Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing*, 85(1), 31-41.
- Vrechopoulos, A. P., Pramataris, K. C., Doukidis, G., & Lekakos, G. (2003). An Internet retailing data framework for supporting consumers and business processes. *Journal of Information Systems*, 13, 353-373.
- Wallace, D. W., Giese, J. L., & Johnson, J. L. (2004). Customer retailer loyalty in the context of multiple channel strategies. *Journal of Retailing*, 80, 249-263.
- Webster, F. E. (1992). The changing role of marketing in the corporation. *Journal of Marketing*, 56 (October), 1-17.
- Wright, L. T., Stone, M., & Abbott, J. (2002). The CRM imperative – practice vs. theory in the telecommunications industry. *Journal of Database Marketing*, 9, 339-349.
- Yim, C. K. B., Tse, D. K., & Chan, K. W. (2008). Strengthening customer loyalty through intimacy and passion: Roles of customer-firm affection and customer-staff relationships in services. *Journal of Marketing Research*, XLV, 741-756.

- Zablah, A. R., Bellenger, D. N., & Johnston, W. J. (2004). Customer relationship management implementation gaps. *Journal of Personal Selling and Sales Management*, XXIV, 279-295.
- Zeithaml, V. A., Rust, R. T., & Lemon, K. N. (2001). The customer pyramid: Creating and serving profitable customers. *California Management Review*, 43(4), 118-142.

APPENDIX

APPENDIX A

	ROUTINE (Performed 1x or More Daily)		NON-ROUTINE (Performed Weekly or Less)	
	COMPANY-TYPE	SAMPLE TASK	COMPANY-TYPE	SAMPLE TASK
SPECIALIZED KNOWLEDGE	Call Centers	TROUBLESHOOT CUSTOMER ISSUES	Call Centers	SET MONTHLY GOALS, BUDGETS
	Fast Food Restaurants	RECYCLE FRY OIL	Fast Food Restaurants	PERFORM INVENTORY/ORDERING
	Grocery Stores	MONITOR SELF-CHECKOUT LANES	Grocery Stores	LOAD SALE ITEMS IN POS SYSTEM
	Hair Salon / Spas	HAIR CUTS	Hair Salon / Spas	CUSTOM COLOR / MAKEOVER
	Home Services Franchise	BID THE JOB	Home Services Franchise	CUSTOM CABINET COLOR CHANGE
	Home Improvement Retail Outlets	SPECIAL ORDER PRODUCT	Home Improvement Retail Outlets	CONDUCT TRAINING CLASSES
	Mass Merchandise Retailers	SPECIAL ORDER PRODUCT	Mass Merchandise Retailers	REDESIGN PRIMARY STORE DISPLAYS
	National Banks	OPEN NEW ACCOUNT	National Banks	CUSTOMIZED FINANCIAL PLANNING
	National Book Retailers	HANDLE INCOMING STOCK	National Book Retailers	ORGANIZE AUTHOR APPEARANCES
	Pet Supply Retailers	ORDER PRODUCTS/SUPPLIES	Pet Supply Retailers	CONDUCT PET TRAINING CLASSES
	Specialty Retailers (e.g. Gift Shops)	INTER-STORE TRANSFERS	Specialty Retailers (e.g. Gift Shops)	ORDER PRODUCT/SUPPLIES
	Tire Retailers	CUSTOM WHEEL SALES/FITMENTS	Tire Retailers	SUV LIFT KIT FIT AND INSTALLATION
GENERAL KNOWLEDGE	Call Centers	ANSWER CALLS	Call Centers	PREPARE CALL CENTER REPORTS
	Fast Food Restaurants	TAKE THE ORDER	Fast Food Restaurants	HANG ADVERTISING BANNERS, SIGNS
	Grocery Stores	REGISTER CHECKOUT	Grocery Stores	WESTERN UNION MONEY ORDERS
	Hair Salon / Spas	SCHEDULE APPOINTMENT	Hair Salon / Spas	COUNT SUPPLIES/INVENTORY
	Home Services Franchise	BOOK THE ESTIMATE	Home Services Franchise	MAIL THE DATABASE
	Home Improvement Retail Outlets	PROVIDE AISLE ASSISTANCE	Home Improvement Retail Outlets	SPECIAL ORDER RETURN/EXCHANGE
	Mass Merchandise Retailers	REGISTER CHECKOUT	Mass Merchandise Retailers	MERCHANDISE VIA PLAN-O-GRAM
	National Banks	WITHDRAWALS/DEPOSITS	National Banks	ACCESS SAFETY DEPOSIT BOXES
	National Book Retailers	REGISTER CHECKOUT	National Book Retailers	MERCHANDISE VIA PLAN-O-GRAM
	Pet Supply Retailers	REGISTER CHECKOUT	Pet Supply Retailers	ORGANIZE IN-STORE ADOPTIONS
	Specialty Retailers (e.g. Gift Shops)	REGISTER CHECKOUT	Specialty Retailers (e.g. Gift Shops)	MERCHANDISE WINDOW DISPLAYS
	Tire Retailers	ROTATE/BALANCE TIRES	Tire Retailers	MAIL THANK YOU CARDS/DATABASE

Figure A1: Sample tasks by quadrant.

CURRICULUM VITAE

Kelley O'Reilly, PhD

1175 E. Canyon Road
 Avon, UT 84328
 (435) 760-5029
 k.o@aggiemail.usu.edu

BACKGROUND INFORMATION**Education**

- 2010 PhD in Management Information Systems & Education, Utah State University.
 Area of Focus: Marketing, Information Systems, Strategic Management
 Dissertation: *Service Undone: A Grounded Theory of Strategically Constructed Silos and their Impact on Customer-Company Interactions from the Perspective of Retail Employees.*
- 1990 Masters of Business Administration, Western Washington University
 Areas of Concentration: Marketing & Finance
 Minor: English Literature
- 1985 Bachelor of Science, Western Washington University
 Major: Visual Communication (Graphic Arts, Graphic Design)

University Experience

- 2010 - present Utah State University, Logan Utah, Instructor
- 2008 - 2009 Utah State University, Logan Utah, Teaching Internship
- 1991 City University, Seattle Washington, Marketing Instructor

Relevant Industry Experience

- 2008 – present Business Consultant
 Consultant for local and national businesses on projects related to marketing, sales, and customer service. Most recent consulting project involves redesigning customer service recovery protocols for a retail franchise company. Work is based on dissertation findings.
- 2003 – 2008 Vice President, Sales & Marketing, Harris Research, Inc., Logan, UT
Subsidiary of The Home Depot and a franchise enterprise comprised of Chem-Dry and N-Hance brands.

A highly entrepreneurial, growth-driven and performance-focused company. Held top-ranking executive role with accountability for \$30+ million in wholesale sales (through franchise channel) and \$325+ million in retail sales. Provided managerial oversight to business affairs (administrative budget, advertising budget, training, customer service, sales, competitive intelligence, revenue forecasting, and market analysis). Supervised six direct reports and a 20-person staff. Held full P&L responsibility.

- 1991 – 2003 Senior Vice President of Strategy and Brand Development, Big O Tires, Inc., Denver, CO
Subsidiary of TBC Corporation (now Sumitomo USA).
 A franchise enterprise comprised of multiple retail locations and is a highly structured, growth-driven and performance-focused company; also provides advertising, accounting and insurance services for franchisees. Career with this world-class enterprise is distinguished by consistent progression / promotion through increasingly responsible senior management and executive roles – several positions were concurrent and functional accountabilities spanned virtually every aspect of business operations. *Promotional path:*
- | | |
|--------------|---|
| 2003 | Senior Vice President, Strategy and Brand Development |
| 2000 to 2003 | Senior Vice President, Sales & Marketing |
| 1996 to 2000 | Vice President, Product Marketing |
| 1994 to 1998 | President, Impact Advertising |
| 1993 | Vice President, Marketing |
| 1992 | Marketing Director |
| 1991 to 2003 | President of O Advertising, Inc. |
| 1991 | Advertising Director |

Publications

Refereed Book Chapters

O'Reilly, K., Paper, D. (2010). Customer relationship management (CRM): A dichotomy of online and offline activities. In Dr. In Lee (Vol. Ed.) & Julia Mosemann and Rebecca Beistline (Chap. Eds.), *Encyclopedia of E-Business Development and Management in the Digital Economy, Volume II*, pp. 504-513. IGI Global, USA.

Refereed Journal Articles

O'Reilly, K., Ugray, Z. (in press). An exploratory look at attributes of Internet use and adoption by franchisees. *International Journal of E-Business Research*.

O'Reilly, K., Paper, D. (2009). The role of vendor in eCRM tool development. *Qualitative Market Research: An International Journal*, Volume 12, Issue 4, 404-427.

O'Reilly, K., Paper, D. (2009). Stakeholder perceptions regarding eCRM: A franchise case study. *Informing Science: The International Journal of an Emerging Transdiscipline*, Volume 12, 191-215. <http://inform.nu/Articles/Vol12/ISJv12p191-215OReilly527.pdf>

Invited Editorials and Essays

O'Reilly, K., Paper, D. (2009) Customer relationship management (CRM): An approach for transforming the “myth” of success into dual-value creation. *Journal of Information Technology Case and Application Research*, Volume 11, No. 3, (Editorial Preface) <http://faculty.babson.edu/Gordon/jitcar/vol11.htm#Vol11No3>

Refereed Journal Articles Currently in Review

O'Reilly, K., Paper, D. (2009). Juxtaposing customer relationship management (CRM) with a plural form. Manuscript currently in review.

O'Reilly, K., Johnson, J., Sanborn, G. (2009). Understanding the data management practices of grant-recipient university researchers. Manuscript currently in review.

Journal Articles in Progress

O'Reilly, K., Marx, S. (2009). Electronic Word-of-Mouth (eWOM) Pathfinders: Young, Savvy, and Technical. Unpublished manuscript. Manuscript targeted for *Qualitative Market Research*.

Professional Presentations

National Peer-Reviewed/Competitive

An Exploratory Study of Electronic Word-of-Mouth (eWOM): The Credibility Puzzle. NRMERA, Reno NV, October 2008. Member of panel discussion on “Novel Approaches to Teaching Qualitative Methods.”

National & Local Invited

The Strategy of Customer Service (Dissertation Findings). N-Hance Annual Franchise Convention, Riverwoods Conference Center, Logan Utah, January, 2010. Presented in three separate sessions to parent company management, subsidiary management, and franchise owners.

The Key Attributes of e-Business Acceptance by Franchisees. Intermountain Graduate Research Symposium. Utah State University Campus, April, 2009.
Key Marketing Address, Harris Research, Inc. (subsidiary of The Home Depot). Speech to announce state of the industry, new marketing initiatives, and strategy. Audiences from 350 – 500 people. Spring 2008, 2007, 2006, 2005, 2004.

Key Marketing Address, Big O Tires National Franchise Convention. Speech to announce state of the industry, new marketing initiatives, and strategy. Audiences from 500 – 900 people. Spring 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, 1995, 1994.

UNIVERSITY TEACHING EXPERIENCE

2008 - present Courses Taught as Graduate Teaching Assistant/Internship

- Teach “MIS 2100 Introduction to Management Information Systems,” a required introductory course for all Utah State Business students. Taught Two Sections, spring 2010. Utah State University.
- Assist in “EDUC 6770 Qualitative Research Methods I,” a doctoral class focused on introducing students to qualitative research. Assisted Dr. Sherry Marx as the course writing and research coach to students. Fall 2008, 2009.

2008 – present Guest Teaching Experiences

- Guest instructor in Sherry Marx’s USU “EDUC 6780: Qualitative Research Methods II” class. Facilitated student discussions on class projects. Spring 2010.
- Guest instructor in Sherry Marx’s USU “EDUC 6770: Qualitative Research Methods I” class. Facilitated student discussions on class projects and discussed the Grounded Theory method. Fall 2009.
- Guest instructor in Sherry Marx’s USU “EDUC 6770: Qualitative Research Methods I” class. Facilitated student discussions on class projects. Fall 2008.
- Guest speaker at College of Education Curriculum & Instruction Doctoral Program Student Seminar: “Advice for Getting Published.” Only student selected as speaker. Utah State University, Fall 2009.
- Guest speaker at USU “PHYS ED 4200: Physical Education Seminar: Life after Sports – Athletic Transition.” Recruited to share my own experiences with fourth and fifth year student-athletes to help them transition for life and careers after the last whistle blows in their college sports experience. Fall 2009.

1990 – 1991 Courses Taught as Adjunct Faculty

- Teach “Principles of Marketing” to undergraduate adult learners. A required and introductory course for all business students. Fall 1990, spring 1991. Honored with *Outstanding Teaching Award* in 1991. City University, Seattle Washington.

Teaching Interests

- Introductory Business, Management, and Marketing courses
- Intro to MIS, MIS Research Seminar
- IS Strategy, Business Management and Operations, Entrepreneurship
- Qualitative Research Methods

INDUSTRY TEACHING EXPERIENCE

- 2003 – 2008 Developed curriculum and delivered training for Harris Research, Inc., franchise training courses including: brand management, strategic marketing, advertising, salesmanship, financial management, personnel management, website development and search engine optimization. Training taught primarily face-to-face, online, and via videotaped modules.
- 1991 – 2003 Developed curriculum and delivered training for Big O Tires, Inc., franchise training courses including: retail advertising, merchandising, promotion, leadership, inventory management, purchasing, and point-of-sale computer systems. Training taught primarily face-to-face.

PROFESSIONAL DEVELOPMENT & CERTIFICATIONS

Research Workshops Attended

“Conducting Grounded Theory Research” Workshop/Seminar. Conducted by Natalia Levina and George Hernandez, special interest group co-chairs. International Conference on Information Systems (ICIS), 2009 Convention. Phoenix, AZ.

Industry Certifications

2003 Certified Franchise Executive (CFE). International Franchise Association (IFA).

Professional Development

2002 Managing Brand Meaning, Executive Education. Harvard Business School, Boston MA.

2001 Strategic Marketing Management, Executive Education. Harvard Business School, Boston Massachusetts.

2000 Negotiations Seminar, Executive Education. University of California Los Angeles.

HONORS & AWARDS

2010	Utah State University Women & Gender Research Institute Travel Grant, \$250
2010	Utah State University Teaching Assistantship
2010	Utah State University Tuition Award
2009	Utah State University Graduate Student Senate, Research/Travel Award, \$300
2009	Utah State University Graduate Assistantship Dissertation Award
2009	Utah State University Intermountain Graduate Research Symposium, Applied Economics, 2nd Place
2009	Utah State University Tuition Award
2008	Utah State University Departmental Travel Grant, \$250
2008	Utah State University Women & Gender Research Institute Travel Grant, \$250
2008	Utah State University Tuition Award
2007	Utah State University Presidential Fellowship
1991	City University Outstanding Teaching Award, Seattle Washington
1990	Western Washington University Outstanding MBA Student of the Year

SCHOLARLY SERVICE EXPERIENCES

2010	Graduate student representative during interviews for USU Women and Gender Research Institute Director search.
2010	Reviewer for International Conference on Information Systems (ICIS)
2010	Member of the Editorial Review Board, InSITE Conference
2010	Reviewer for Encyclopedia of E-Business Development and Management in the Digital Economy
2009	Reviewer for International Conference on Information Systems (ICIS)
2009	Selected as Student Volunteer for International Conference on Information Systems (ICIS)

ASSOCIATION MEMBERSHIPS

- Association of Information Systems (AIS), Member Since 2009
- International Franchise Association (IFA), Member Since 2000
- American Marketing Association (AMA), Member Since 1990